PUBLIC ACCOUNTS

OF THE

GOVERNMENT OF NUNAVUT

FOR THE YEAR ENDED MARCH 31, 2015

HONOURABLE KEITH PETERSON

Minister of Finance

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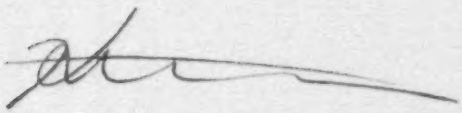
THE HONOURABLE NELLIE T. KUSUGAK
COMMISSIONER OF NUNAVUT

I have the honour to present the Public Accounts of Nunavut for the fiscal year ended March 31, 2015. I would ask that these accounts be laid before the Legislative Assembly in accordance with the *Financial Administration Act*, R.S.N.W.T. 1988, c.F-4, S. 74 as amended, and duplicated for Nunavut, and the *Nunavut Act*, S.C. 1993, C.28, s.44.



The Honourable Keith Peterson
Minister of Finance

Government of Nunavut
Iqaluit, Nunavut

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GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
March 31, 2015

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SECTION I

CONSOLIDATED FINANCIAL STATEMENTS

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MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

The preparation of these consolidated financial statements for the Government of Nunavut, and related information contained in the Public Accounts, is the responsibility of management through the Department of Finance.

The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards (PSAS), which represent generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board of Canada. Where Canadian PSAS permits alternative accounting methods, management has chosen those it believes are most appropriate. Where required, management's best estimates and judgments have been applied in the preparation of these consolidated financial statements.

The Government fulfills its accounting and reporting responsibilities, through the Department of Finance, by maintaining systems of financial management and internal control. Where necessary, these systems are enhanced and modified to support the provision of accurate information, safeguarding and control of the Government's assets, and ensuring all transactions are in accordance with Nunavut's *Financial Administration Act*.

The Public Accounts are referred to the Standing Committee on Oversight of Government Operations and Public Accounts after they have been tabled in the Legislative Assembly. The recommendations of this Committee will be reviewed and acted upon, where appropriate, to improve financial management, financial reporting practices and the systems of internal control.

The Auditor General of Canada conducts an annual audit of the consolidated financial statements and provides an independant opinion to the Legislative Assembly as to whether the statements present fairly, in all material respects, the financial position, results of operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards. During the course of the audit, he also examines transactions that have come to his notice to ensure that they are, in all significant respects, within the statutory powers of the Government and those organizations included in the consolidation. The Auditor General's opinion is included with the consolidated financial statements.

Chris D'Arcy
Deputy Minister of Finance

Jeff Chown, CA
Comptroller General

October 29, 2015

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Auditor General of Canada
Vérificateur général du Canada

INDEPENDENT AUDITOR'S REPORT

To the Legislative Assembly of Nunavut

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of the Government of Nunavut, which comprise the consolidated statement of financial position as at 31 March 2015, and the consolidated statement of operations and accumulated surplus, consolidated statement of change in net financial assets and consolidated statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

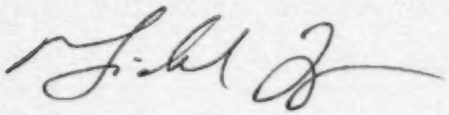
Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Government of Nunavut as at 31 March 2015, and the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

.../2

Report on Other Legal and Regulatory Requirements

In my opinion, the transactions of the Government of Nunavut and those organizations listed in Note 1 to the consolidated financial statements that have come to my notice during my audit of the consolidated financial statements have, in all significant respects, been in accordance with the Government of Nunavut's powers under the *Nunavut Act*, the *Financial Administration Act* of Nunavut and regulations and the specific operating authorities disclosed in Note 1 to the consolidated financial statements.



Michael Ferguson, CPA, CA
FCA (New Brunswick)
Auditor General of Canada

29 October 2015
Ottawa, Canada

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Consolidated Statement of Financial Position
as at March 31, 2015
(in thousands of dollars)

	Note	2015	2014 Restated - Note 2(q)
Financial assets			
Cash and cash equivalents	3	510,655	523,321
Portfolio and other investments	4	131,683	103,992
Due from the Government of Canada	5(a)	71,892	50,260
Other revenues receivable	5(b)	67,059	75,788
Inventories for resale	6(a)	219,452	80,878
Loans receivable	7	24,538	22,934
Total financial assets		1,025,279	857,173
Liabilities			
Due to the Government of Canada	8(a)	20,184	26,944
Other accounts payable and accrued liabilities	8(b)	330,164	247,830
Deferred revenues	9	131,412	110,799
Liability for contaminated sites	10	8,834	13,920
Pension liabilities	11	8,755	8,868
Other post-employment benefit liabilities	12	28,681	29,723
Long term debt	13	132,839	118,989
Iqaluit International Airport Improvement Project	14	53,484	31,885
Capital lease obligations	15	50,437	59,095
Total liabilities		764,790	648,053
Net financial assets		260,489	209,120
Non-financial assets			
Tangible capital assets **(Schedule B)**		2,039,942	1,912,736
Inventories for use	6(b)	30,168	27,942
Prepaid expenses		3,935	3,233
Total non-financial assets		2,074,045	1,943,911
Accumulated surplus		2,334,534	2,153,031

Contractual obligations **(Note 17)**
Contingencies **(Note 18)**

The accompanying notes and schedules are an integral part of these consolidated financial statements.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Consolidated Statement of Operations and Accumulated Surplus
for the year ended March 31, 2015
(in thousands of dollars)

	2015 Budget (Note 21)	2015 Actual	2014 Actual Restated - Note 2(q)
Revenues (Schedule A)			
From the Government of Canada	1,638,800	1,686,169	1,605,339
Revenues generated by the Government of Nunavut	401,500	423,338	400,645
Total revenues	2,040,300	2,109,507	2,005,984
Expenses (Note 16)			
Community and Government Services	426,100	439,802	421,464
Health	377,900	388,593	376,088
Education	257,600	246,719	245,544
Housing	249,800	253,437	241,789
Finance	188,800	167,315	152,088
Family Services	127,700	124,253	117,490
Justice	111,700	117,081	110,205
Economic Development and Transportation	106,800	83,738	87,446
Executive and Intergovernmental Affairs	30,400	26,157	22,794
Environment	29,100	30,974	31,475
Culture and Heritage	27,100	27,751	25,122
Legislative Assembly	23,600	22,184	20,512
Total expenses	1,956,600	1,928,004	1,852,017
Surplus for year	83,700	181,503	153,967
Accumulated surplus, beginning of year	2,153,031	2,153,031	1,999,064
Accumulated surplus, end of year	2,236,731	2,334,534	2,153,031

The accompanying notes and schedules are an integral part of these consolidated financial statements.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Consolidated Statement of Change in Net Financial Assets
for the year ended March 31, 2015
(in thousands of dollars)

	2015 Budget	2015 Actual	2014 Actual Restated - Note 2(q)
Surplus for year	83,700	181,503	153,967
Tangible capital assets (Schedule B)			
Additions	(229,100)	(228,640)	(189,354)
Disposals	-	44	1,640
Amortization	93,300	101,390	99,495
	(135,800)	(127,206)	(88,219)
Additions to inventories for use	(57,200)	(67,757)	(68,784)
Consumption of inventories for use	61,300	65,531	63,490
Net use (additions) of prepaid expenses	-	(702)	(422)
	4,100	(2,928)	(5,716)
Increase (decrease) in net financial assets	(48,000)	51,369	60,032
Net financial assets, beginning of year	209,120	209,120	149,088
Net financial assets, end of year	161,120	260,489	209,120

The accompanying notes and schedules are an integral part of these consolidated financial statements.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Consolidated Statement of Cash Flow
for the year ended March 31, 2015
(in thousands of dollars)

	2015	2014 Restated - Note 2(q)
Cash provided by (used for) operating activities:		
Transfers from the Government of Canada	1,678,459	1,618,527
Taxes	96,050	92,350
Other government revenues	313,467	293,185
Interest on loans receivable and portfolio investments	2,297	1,748
Interest payments on long term debt	(5,588)	(5,645)
Interest payments on capital leases	(3,965)	(4,324)
Compensation and employee benefits	(596,675)	(557,790)
Grants and contributions	(194,887)	(183,319)
Goods and services	(1,078,952)	(955,711)
	210,206	299,021
Cash provided by (used for) capital activities:		
Tangible capital asset acquisitions	(200,349)	(155,467)
Tangible capital asset disposals	27	45
	(200,322)	(155,422)
Cash provided by (used for) investing activities:		
Loans issued to municipalities, businesses and individuals	(6,236)	(12,073)
Loan repayments by municipalities, businesses and individuals	5,404	4,239
Portfolio and other investment acquisitions	(190,550)	(127,870)
Portfolio and other investment disposals	163,675	81,364
	(27,707)	(54,340)
Cash provided by (used for) financing activities:		
Long term debt borrowings	23,570	14,000
Principal payments on capital leases	(8,753)	(10,423)
Principal payments on long term debt	(9,660)	(8,512)
	5,157	(4,935)
Increase (decrease) in cash and cash equivalents	(12,666)	84,324
Cash and cash equivalents, beginning of year	523,321	438,997
Cash and cash equivalents, end of year (Note 3)	510,655	523,321

The accompanying notes and schedules are an integral part of these consolidated financial statements.

1 AUTHORITY AND OPERATIONS

(a) Authority

The Government of Nunavut (the Government) operates under the authority of Canada's *Nunavut Act*. The Government has an elected Legislative Assembly which authorizes disbursements, advances, loans and investments, except those specifically authorized by statute.

These consolidated financial statements are prepared to meet the financial reporting requirements in Canada's *Nunavut Act* and Nunavut's *Financial Administration Act*. The consolidated financial statements present summary information and serve as a means for the Government to show its accountability for the resources, obligations and financial affairs for which it is responsible.

(b) Reporting entity

The reporting entity of the Government of Nunavut includes all departments, agencies, corporations, organizations, and funds, which are controlled by the Government. For financial reporting purposes, control is defined as the power to govern the financial and operating policies of an organization with benefits from the organization's activities being expected, or the risk of loss being assumed by the Government. All organizations that meet the definitions in the *Financial Administration Act* for departments, revolving funds, territorial corporations or other public agencies are included in the reporting entity for these consolidated financial statements, except for the Workers' Safety and Compensation Commission (WSCC).

The following organizations comprise the reporting entity of the Government for these consolidated financial statements, and unless indicated otherwise, they have March 31 year ends.

	Authority for Operations
Consolidated Revenue Fund, including those departments and public agencies set out in the Government's Main Estimates	*Financial Administration Act*
Revolving Funds	*Revolving Funds Act*
Liquor Revolving Fund	
Petroleum Products Revolving Fund	
Public Stores Revolving Fund	
Student Loan Fund	
Territorial Corporations	
Nunavut Arctic College (NAC) *(June 30)*	*Nunavut Arctic College Act*
Nunavut Business Credit Corporation (NBCC)	*Nunavut Business Credit Corporation Act*
Nunavut Development Corporation (including subsidiaries) (NDC)	*Nunavut Development Corporation Act*
Nunavut Housing Corporation (including subsidiaries) (NHC)	*Nunavut Housing Corporation Act*
Nunavut Lottery	*Partnership agreement*
Qulliq Energy Corporation (QEC)	*Qulliq Energy Corporation Act*
District Education Authorities *(June 30)*	*Education Act*

The WSCC, which is responsible for the administration of related employer insurance premiums and employee benefit programs within Nunavut, is not accounted for in these consolidated financial statements. Since the Government does not control or have access to the WSCC's assets or responsibility for its obligations, it is excluded from the Government's financial reporting entity.

All entities included in the reporting entity, except Nunavut Lottery, are fully consolidated on a line-by-line basis. Significant transactions and balances between fully consolidated entities are eliminated. Nunavut Lottery is accounted for as a government business partnership on a modified equity basis.

Effective September 30, 2014, Nunavut Development Corporation sold its controlling interest in its largest subsidiary, resulting in a loss of $81 which is included in these consolidated financial statements. The shares that NDC has retained are reported as portfolio investments. The value of the retained shares were assessed for impairment at year-end and an impairment loss in the amount of $74 has been reported in these consolidated financial statements.

For segmented disclosure reporting purposes, summary information has been provided based on the accountability and control relationships between the Government and the various organizations within the reporting entity using categorization or groupings of organizations noted above.

1 AUTHORITY AND OPERATIONS (continued)

(c) Budget

Canadian public sector accounting standards require a government to present in its consolidated financial statements a comparison of the results of operations and changes in net financial assets (debt) for the period with those originally planned.

The Government's annual budget presented to the Legislative Assembly is not prepared on a consolidated basis. As a result, the budget figures included in these consolidated financial statements are based on the summary totals provided on pages x through xiii of the 2014-2015 Main Estimates and the approved annual budgets for the consolidated entities, adjusted to eliminate budgeted inter-entity revenues and expenses as well as significant accounting policy differences. Where necessary, assumptions were used to estimate the inter-entity eliminations and accounting policy adjustments required. There was a $38,000 provision for centrally estimated 'Supplementary requirements' included in the 2014-2015 Main Estimates, $25,000 of which was designated for 'extraordinary/unforeseen events'. For purposes of consolidated budget disclosure in these consolidated financial statements that provision has been included in the Finance expense budget.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

These consolidated financial statements are prepared in accordance with Canadian public sector accounting standards (PSAS) as issued by the Public Sector Accounting Board of Canada.

(b) Use of estimates and measurement uncertainty

The preparation of consolidated financial statements in accordance with Canadian PSAS requires the Government to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the consolidated financial statements. By their nature, these estimates and assumptions are subject to measurement uncertainty. The effect on the consolidated financial statements of changes to such estimates and assumptions in future periods could be significant, although, at the time of preparation of these consolidated financial statements, the Government believes the estimates and assumptions to be reasonable.

The more significant management estimates relate to other post-employment benefit liabilities, liability for contaminated sites, contingencies, revenue accruals, amortization expenses, useful life of tangible capital assets and valuation allowances on loans and other receivables.

(c) Cash and cash equivalents

Cash and cash equivalents are comprised of bank account balances, net of outstanding cheques, and short term highly liquid investments that are readily convertible to cash with a maturity term of 12 months or less from the time of their acquisition. Cash equivalents are recorded at cost. Short term investments are recorded at the lower of cost or market value.

(d) Portfolio and other investments

Portfolio and other investments are long term investments in organizations that do not form part of the government reporting entity and are accounted for at cost. Where there has been a loss in value of a portfolio investment that is other than a temporary decline, the investment is written down to recognize the loss, which is included as a component of investment income, which is part of other revenues within revenues generated by the Government of Nunavut. Interest income is recorded on an accrual basis, dividend income is recognized as it is declared, and capital gains and losses are recognized when realized.

(e) Inventories

Inventories for resale include bulk fuels, liquor products, finished goods and packaging materials and supplies. Bulk fuels, finished goods and packaging materials and supplies are valued at the lower of weighted average cost or net realizable value. Liquor products are valued at the lower of cost or net realizable value on a first-in, first-out basis.

Inventories for use include fuel, supplies and lubricants, health and medical supplies, and raw materials and work in progress. Fuel inventory is valued at the lower of cost or replacement cost, with the cost being determined on a weighted average basis. Supplies and lubricants, health and medical supplies, as well as raw materials and work in progress inventory items are valued at the lower of cost or replacement costs, with the cost being determined on a first-in, first-out basis.

(f) Loans receivable

Loans receivable are valued at the lower of cost or net recoverable value. Based on the circumstances known at the date the consolidated financial statements are prepared, including past events and current conditions, valuation allowances are recorded when collection is considered doubtful or when the value of a loan receivable is impaired. Interest revenue is recorded on an accrual basis when the collectability of both principal and interest are reasonably assured. An uncollectable or impaired loan receivable balance can be written off only upon receipt of required statutory approvals.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Tangible capital and leased assets

Tangible capital assets are non-financial assets whose useful life exceeds one fiscal year and are intended to be used on an ongoing basis for delivering government services. They may include such diverse items as buildings, vehicles, equipment, aircraft and computer hardware and software systems.

Tangible capital assets are recorded at cost or, where actual cost is not available, estimated current replacement cost is used. Gifted or contributed tangible capital assets are recorded at fair market value upon receipt, or a nominal value if fair value is not available.

Leased assets that meet the definition of a tangible capital asset, except that they are held under lease by the Government, are capitalized and reported as such if, in substance, their terms and conditions transfer substantially all of the benefits and risks of ownership to the Government. Legal ownership may not necessarily have been transferred. The lease liability and corresponding asset are recorded based on the present value of payments due over the course of the lease. The present value is based on the lower of the rate implicit in the lease or the Government's incremental borrowing rate at the time the obligation is incurred.

Tangible capital assets, when placed into service, are amortized over their useful lives using the straight line method. When assets are leased, the amortization rate will be based on the lesser of the lease terms or the useful lives of the leased assets. The following amortization rates are being used:

Asset Category	Amortization Period
Buildings	20-30 years
Leased Buildings	20-30 years
Storage Facilities	30 years
Tank Farms	30 years
Equipment	5-30 years
Warehouse and Equipment (QEC)	1-45 years
Electric Power Plants	20-40 years
Transmission Distribution Systems	15-40 years
Infrastructure	30 years
Land	Not amortized

When conditions indicate that a tangible capital asset no longer contributes to the Government's ability to provide goods and services, or that the value of future economic benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible capital asset is reduced to reflect the decline in the asset's value.

In the year a tangible capital asset is acquired or put into service, amortization is taken for the full year. Tangible capital assets under construction or development are recorded as work in progress with no amortization taken until the year the asset is placed into service.

Assets acquired by right, such as Crown lands, water and mineral resources, are not recorded in the consolidated financial statements. The cost of works of art and museum collections consisting mainly of paintings, sculptures, drawings, prints and photographs are charged to expense in the year they are acquired.

(h) Sick leave

The Government's employees are entitled to sick leave under the terms of employment. The liability for employee leave benefits is recorded as accrued liabilities as the benefits accrue to employees.

Included in accounts payable and accrued liabilities is an amount for employees who are permitted to accumulate unused sick leave. However, such entitlements do not vest and can be used only in the event of illness. The amount of accumulated sick leave entitlements which are expected to be used in future years is determined by an actuarial valuation and has been recorded in these consolidated financial statements.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Pension and other post-employment benefits

Pension benefits

Substantially all of the employees of the Government of Nunavut are covered by the public service pension plan (the "Plan"), a defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Government of Nunavut to cover current service cost. Pursuant to legislation currently in place, the Government of Nunavut has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, contributions are recognized as an expense in the year when employees have rendered service and represent the total pension obligation of the Government of Nunavut.

In addition, the Government provides two different pension benefits to Members of the Legislative Assembly. The costs and obligations of the Government for these pension benefits are estimated on an actuarial basis. When actual experience varies from estimates, or when actuarial assumptions change, actuarial gains or losses arise. These gains and losses are not recognized immediately but rather over the estimated average remaining service lives of the contributors. Recognition of actuarial gains and losses commences in the year following the effective date of the related actuarial valuations. In addition, upon a plan amendment, curtailment or settlement, previously unrecognized net actuarial gain or loss balances will require immediate recognition.

Other post-employment benefits

Under the terms and conditions of employment, Government employees may earn severance and removal benefits based on years of service. These benefits are paid upon resignation, retirement or death of the employee. The estimated liability and related expenses for these benefits are recorded as employees earn them. An actuarial valuation of the cost of these benefits has been prepared using data provided by management and assumptions based on management's best estimates. Termination benefits are recorded when employees are identified for lay-off.

(j) Revenues

Unless otherwise stated, all revenues are recognized and reported on an accrual basis in the period in which transactions or events give rise to the revenues. Specific revenue accounting policies are as follows:

Transfers from the Government of Canada

Transfers from the Government of Canada are recognized as revenue when the funding is authorized and any eligibility criteria are met, except to the extent that funding stipulations give rise to an obligation that meets the definition of a liability and is recorded as deferred revenue.

Taxes

Income tax revenue is recognized when the taxpayer has earned income that is subject to tax. Income tax is calculated net of tax deductions and credits allowed under the Income Tax Act. If an expense provides a financial benefit other than a relief of taxes, it is classified as a transfer made through the tax system. If an expense provides tax relief to a taxpayer and relates to revenue, this expense is considered a tax concession and is netted against tax revenues. Tax concessions transferred to taxpayers include the Nunavut child tax benefit, the cost of living tax credit and the business training tax credit. Taxes, under the Income Tax Act, are collected by the Government of Canada on behalf of the Government of Nunavut under a tax collection agreement and are remitted to the Government. The remittances are based on the Government of Canada's estimates for the taxation year, which are periodically adjusted until the income tax assessments for the year are finalized. These income tax adjustments are accounted for in the year known.

Fuel, tobacco and payroll taxes are levied under the authority of the *Petroleum Products Tax Act*, the *Tobacco Tax Act* and the *Payroll Tax Act*, respectively. Revenues are recognized on an accrual basis based on the statements received from collectors or employers. Adjustments from reassessments are recorded in revenue in the year they are identified. Tobacco tax commissions on tobacco tax revenue provides a financial benefit other than a relief of taxes and is recorded as an expense.

Property taxes are assessed on a calendar year basis and are recorded on an accrual basis in the fiscal year.

Other taxes are accrued based on information provided by those parties which collect tax on the Government's behalf.

Recoveries of prior years expenditures

Recoveries of prior years expenditures through the Consolidated Revenue Fund, including reversals of prior years expenditure over-accruals, are reported as revenues in the consolidated financial statements. Pursuant to the *Financial Administration Act*, these recoveries cannot be used to increase the amount appropriated for current year expenditures through the Consolidated Revenue Fund.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Expenses

Expenses are recorded on an accrual basis when goods are received or services are rendered.

Grants and contributions are recognized as expenses provided that the transfer is authorized and all eligibility criteria have been met by the recipient. Grants and contributions include transfer payments to individuals, municipalities and other organizations under government funding arrangements. Payments to individuals include payments for children's benefits, income support or income supplement. These payments are based on age, family status, income, and employment criteria. Other grants and contributions are provided to conduct research, to establish new jobs through support for training and to promote educational, health and cultural activities.

(l) Contingencies

The contingencies of the Government are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the future event is likely to occur and is quantifiable, an estimated liability is accrued. If the likelihood is not determinable or the amount cannot be reasonably estimated, the contingency is disclosed in the notes to the consolidated financial statements and no liability is accrued. Contingent liabilities result from potential environmental contingencies or pending litigation and like items.

(m) Liability for contaminated sites

Contaminated sites are the result of contamination being introduced into air, soil, water or sediment in concentrations that exceeds the maximum acceptable amounts under an environmental standard.

A liability for remediation of a contaminated site is recognized when all of the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the Government is directly responsible or accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability for contaminated sites reflects the Government's best estimate of the amount required to remediate sites to the current minimum standard for its use prior to the contamination.

The liability is recognized net of any expected recoveries and includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring.

The liability is adjusted each year for the passage of time, new obligations, changes in management estimates and actual costs incurred.

If the likelihood of a future event that would confirm the Government's responsibility is not determinable, a contingent liability is disclosed in the notes to the consolidated financial statements.

(n) Changes in accounting policies

Effective April 1, 2014, the Government adopted PS 3260 - Liability for Contaminated Sites, a new Public Sector Accounting Handbook section. This section establishes recognition, measurement and disclosure standards for liabilities related to contaminated sites. The Government adopted the policy on a prospective basis. There is no significant impact for the current year on the consolidated financial statements, other than the required disclosure.

(o) Future changes in accounting standards

A number of new and amended standards issued by the Public Sector Accounting Board of Canada are not yet effective and have not been applied in preparing these consolidated financial statements. The Government plans to adopt these new and amended standards on their effective dates and is currently assessing the impact they will have on its consolidated financial statements. The following standards for governments will become effective as follows:

PS 2200 Related Party Disclosures (effective April 1, 2017), a new standard establishing disclosure requirements for related party transactions.

PS 3210 Assets (effective April 1, 2017), a new standard providing guidance for applying the definition of assets set out in *PS 1000 Financial Statement Concepts*.

PS 3320 Contingent Assets (effective April 1, 2017), a new standard establishing disclosure requirements for contingent assets.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

PS 3380 Contractual Rights (effective April 1, 2017), a new standard defining and establishing disclosure requirements for contractual rights.

PS 3420 Inter-Entity Transactions (effective April 1, 2017), a new standard establishing guidance on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and a recipient perspective.

PS 3430 Restructuring Transactions (effective April 1, 2018), a new standard defining a restructuring transaction and establishing guidance for recognizing and measuring assets and liabilities transferred in a restructuring transaction.

PS 3450 Financial Instruments (effective April 1, 2019), a new standard establishing guidance on the recognition, measurement, presentation and disclosure of financial instruments, including derivatives.

PS 2601 Foreign Currency Translation (effective April 1, 2019), replaces PS 2600 with revised guidance on the recognition, presentation and disclosure of transactions and balances that are denominated in a foreign currency.

PS 1201 Financial Statement Presentation (effective in the period PS 3450 and PS 2601 are adopted), replaces PS 1200 with revised general reporting principles and standards of presentation and disclosure for government financial statements.

PS 3041 Portfolio Investments (effective in the period PS 3450, PS 2601 and PS 1201 are adopted), replaces PS 3040 with revised guidance on accounting for, and presentation and disclosure of, portfolio investments.

(p) Services provided without charge

The Government of Nunavut receives audit services at no charge from the Office of the Auditor General of Canada. That Office's costs for these services have not been recorded in these consolidated financial statements.

(q) Restatement of 2014 balance

In fiscal 2015, the Government observed that the consolidation process established in prior years to recognize amortization expense did not reflect the actual information from the related territorial corporation. As a result, the Government has corrected the accumulated amortization of specific tangible capital assets, resulting in a retroactive restatement of prior years' balances. Following the restatement of amortization expense and accumulated amortization, the 2014 financial statements have been restated as follows:

Tangible capital assets	
As previously reported	1,880,158
Adjustment of opening accumulated amortization	27,125
Adjustment of amortization expense	5,453
	1,912,736

Accumulated surplus	
Beginning of year, as previously reported	1,971,939
Adjustment of opening accumulated amortization	27,125
	1,999,064

Surplus for the year	
As previously reported	148,514
Adjustment of amortization expense	5,453
	153,967

In fiscal 2015, the Government identified a classification error in the way it previously reported the balances of cash and cash equivalents and portfolio and other investments of territorial corporations. As a result, the Government has corrected the cash and cash equivalents and portfolio and other investments, resulting in a retroactive restatement of prior years' balances. The 2014 financial statements have been restated as follows:

Cash and cash equivalents	
As previously reported	607,372
Adjustment to portfolio and other investments	(84,051)
	523,321

Portfolio and other investments	
As previously reported	19,941
Adjustment of other investments	84,051
	103,992

3 CASH AND CASH EQUIVALENTS

	2015	2014 Restated - Note 2(q)
Cash	493,852	488,608
Designated cash	2,748	2,346
Short term investments	14,055	32,367
	510,655	523,321

Designated cash represents funds reserved for further investments or financing for subsidiary business enterprises and venture investments.

Cash and cash equivalents include investments in a diversified portfolio of high grade, short term income producing assets. The yield for the year ended March 31, 2015 varied from 0.50% to 1.30% (2014 - 0.75% to 2.0%), with an average remaining term to maturity after year end of 212 days (2014 - 78 days).

4 PORTFOLIO AND OTHER INVESTMENTS

Portfolio investments	2015 Effective Rate of Return	2015 Term to Maturity	2015 Carrying Value	2014 Restated - Note 2(q) Carrying Value
Provincial Governments	2.38%	5 years	5,726	9,796
Various Bankers' Acceptance	1.3% - 3.6%	2 - 216 days	113,038	84,051
			118,764	93,847
Other investments				
SRAF designated investments			11,517	9,420
Venture investments			1,402	725
			131,683	103,992

The market value of the portfolio investments at March 31, 2015 was $119,025 (2014 - $94,091).

The Supplementary Retiring Allowances Fund of the Legislative Assembly (SRAF) designated investments represent funds set aside within the Consolidated Revenue Fund for use in meeting SRAF benefit obligations. The investments are managed by a third party. The Statement of Investment Policy establishes the eligible classes of securities, categories of issuers, limits and terms. The market value of SRAF investments at March 31, 2015 was $14,145 (2014 - $11,590) with a positive return of 10.57% (2014 - 17.44%).

At March 31, 2015, the venture investments included 250 Class D Preferred Limited Partnership units, 475 Class A non-voting preferred shares, and 375,000 Class E first preference shares with a fixed cumulative annual distribution of 6.25%, 6.5% and 6.0% respectively based on its investment. The Class D shares are redeemable in March 2020. The Class A shares are redeemable in March 2019. The Class E shares are redeemable in March 2020.

5 REVENUES RECEIVABLE

	2015	2014
(a) Due from the Government of Canada		
Health Canada	13,513	10,683
Infrastructure Funds	10	1,898
Goods and Services Tax	13,970	6,566
Official Languages	4,000	5,035
Transport Canada Programs	7,955	7,420
Canada Mortgage and Housing Corporation	15,110	838
Aboriginal Affairs and Northern Development Canada	506	1,354
Other receivables	16,828	16,466
	71,892	50,260
(b) Other revenues receivable		
- Of the Territorial Corporations	55,742	53,720
- Of the Departments of Government	27,013	38,773
- Of the Petroleum Products Division	31,829	28,324
	114,584	120,817
Less: Allowance for doubtful accounts	(47,525)	(45,029)
	67,059	75,788

6 INVENTORIES

	2015	2014
(a) For resale		
Bulk fuels	215,851	77,180
Liquor products	1,646	1,560
Finished goods	1,829	1,966
Packaging materials and supplies	126	172
	219,452	80,878

There was no write-down of bulk fuels inventory of the Petroleum Products Division during the year (2014 - $287 written down). The finished goods inventory of Nunavut Development Corporation was written down by $7 (2014 - $4).

(b) For use		
Fuel	8,841	10,371
Supplies and lubricants	17,695	14,136
Health and medical supplies	3,055	2,855
Raw materials and work in progress	577	580
	30,168	27,942

An allowance for obsolescence of $1,300 (2014 - $1,300) was recorded by Qulliq Energy Corporation on its inventory for use balances.

7 LOANS RECEIVABLE

	2015	2014
Mortgage loans from Nunavut Housing Corporation to individuals with a maximum maturity of 25 years, bearing interest between 4.64% and 11.25% (2014 - 5.19% and 14.25%), net of valuation allowance of $4,874 (2014 - $17,344) and subsidy to mortgage holders of $7,337 (2014 - $1,042).	1,494	1,766
Loans from Nunavut Business Credit Corporation to businesses with a maximum maturity of 25 years, bearing interest between 4.25% and 10.25% (2014 - 3.09% and 10.25%), net of valuation allowance of $2,157 (2014 - $1,800). The principal collaterals held as security and other credit enhancements for loans include: (i) various securities on assets; and (ii) corporate and personal guarantees.	21,161	19,310
Student Loan Fund loans, bearing interest between 0.0% and 12.5%, net of doubtful accounts and valuation allowances of $4,694 (2014 - $4,553).	1,572	1,531
Other, net of valuation allowance of $64 (2014 - $64).	311	327
	24,538	22,934

At March 31, 2015, the Nunavut Business Credit Corporation had commitments to make future loan disbursements on term loans of $1,688 (2014 - $2,316) due within the next fiscal year and on credit lines of $1,911 (2014 - $2,564) that are on demand with no established timelines.

8 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2015	2014
(a) Due to the Government of Canada	20,184	26,944
	20,184	26,944

(b) Other accounts payable and accrued liabilities		
Accounts payable	132,558	126,222
Accrued liabilities, payroll deductions and contractor holdbacks	157,186	84,160
Vacation pay and lieu time	36,074	32,955
Due to the Government of the Northwest Territories	4,344	4,493
	330,164	247,830

All amounts above are non-interest bearing.

9 DEFERRED REVENUES

	2015	2014
Provincial-Territorial Base Funding (Building Canada Fund)	35,311	48,433
Gas Tax Agreement	34,722	29,071
CMHC - Investment in Affordable Housing Program	48,574	23,751
Other deferred revenue	12,805	9,544
	131,412	110,799

The deferred revenue balance at March 31 includes mostly funding for eligible capital infrastructure projects and specific programs received from the Government of Canada under formal contribution or other agreements. In 2015-16 and beyond, as the government fulfills its obligations for purpose or other stipulations on the use of these funds the associated revenue will be recognized in its consolidated financial statements.

10 LIABILITY FOR CONTAMINATED SITES

	2015	2014
Liabilities for remediation of contaminated sites	8,834	13,920
	8,834	13,920

The Government's activities are subject to various federal and territorial laws and regulations, such as the *Environmental Protection Act* of Nunavut and the Environmental Guideline for Contaminated Site Remediation - 2010, governing the protection of the environment or to minimize any adverse impact thereon. The Government conducts its operations so as to protect public health and the environment and believes its operations are in compliance with applicable laws and regulations.

The Government recognizes that there are costs related to the remediation of environmentally contaminated sites for which it is responsible. As of March 31, 2015, there were 7 sites - 4 storage tank farms and 3 waste sites - (2014 - 28 sites) identified as requiring environmental remediation. For those sites where the Government of Nunavut expects to give up future economic benefits due to a legal order or plans to remediate contamination (e.g., due to the risk to human health), and is responsible or has accepted responsibility for remediation, and a reasonable estimate can be determined for remediation costs, a liability has been recorded in these consolidated financial statements.

The Government has identified an additional 63 sites on Commissioner's land for which liabilities for contamination may exist for assessment, remediation and monitoring. The activities associated with these sites are classified as follows:

	Sites
Power plants	25
Storage tank farms	24
Town and waste sites	8
Garages and other public works facilities	4
Quarries	1
Airports	1
	63

The Government acquired ownership of sites and activities associated with airports, tank farms and power plants on creation of the Territory on April 1, 1999. The contamination of certain of these sites occurred when other parties were responsible for the use of and/or held tenure to the sites. The Government has estimated that remediation of contamination at 15 storage tank farm sites and 24 power plant sites would cost approximately $9,700 and $38,000 respectively. In addition, the Government has estimated that remediation at the other sites could cost $36,000 - $108,000 depending on the approach taken. No liability for remediation of these 63 sites has been recognized in these consolidated financial statements as the Government does not expect to give up any future economic benefits (i.e. no legal requirement to remediate). Going forward, a liability for remediation of these or other identified sites will be recognized if future economic benefits will be given up (i.e. public health risk or legal requirement).

Most storage tank farms and power plants are monitored on a regular basis to ensure the containment of the identified contaminants. For the other Government of Nunavut's operations and/or sites, there is no ongoing monitoring program in place, but plans for one are to be developed in 2015-16.

In addition, the Government has identified 135 sites where garages, public works facilities, quarries, sewage disposal/treatment and solid waste sites and activities are generally located and conducted within municipal boundaries and governed by municipal legislation. Contamination at these sites and activities within municipal boundaries and jurisdiction are the responsibility of municipalities to monitor and remediate if necessary.

The Government's ongoing efforts to assess contaminated sites, address the outstanding matters on responsibility and for developing or updating reasonable cost estimates for remediation and monitoring activities may result in additional liabilities being recognized in future years.

11 PENSION LIABILITIES

Public Service Pension Plan

Substantially all of the employees of the Government are covered by the public service pension plan (the "Plan"), a defined benefit plan established through legislation and sponsored by the Government of Canada. The Government of Canada holds a statutory obligation for the payment of benefits relating to the Plan. Pension benefits generally accrue up to a maximum period of 35 years at an annual rate of 2 percent of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with Canada/Québec Pension Plan benefits and they are indexed to inflation. Contributions are required by both the employees and the Government of Nunavut. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The contribution rate effective at March 31, 2015 was 1.28 times for members enrolled before January 1, 2013 and 1.28 times for members enrolled beginning January 1, 2013 (2014 - 1.45 and 1.43 times). Total employer contributions of $37,512 (2014 - $38,930) were recognized as expense in the current year. Total employee contributions were $26,413 (2014 - $24,401).

Legislative Assembly Retiring Allowances Plans

The Government sponsors two defined benefit pension plans for Members of the Legislative Assembly (MLAs). Both plans are administered by the Management and Services Board of the Legislative Assembly. The plans provide pensions based on length of service and final average earnings. They provide inflation protection based on increases in the Consumer Price Index.

The first plan is the Legislative Assembly Retiring Allowances Fund (LARAF), a registered and contributory defined benefit pension plan established under the *Legislative Assembly Retiring Allowances Act*. The Office of the Legislative Assembly operates a separate pension fund in trust to administer LARAF contributions and allowances. The fund came into effect on April 1, 1999.

The second plan is the Supplementary Retiring Allowances Fund (SRAF), a voluntary non-registered, non-contributory defined benefit pension plan established under the *Supplementary Retiring Allowances Act* for MLAs who elect to participate. Payments and expenses related to the SRAF are paid from the Government's consolidated revenue fund. This plan came into effect during the 2001-02 year, and provides for benefits retroactive to April 1, 1999.

Retirement benefits are payable to a MLA based on a percentage of the average best earnings over four consecutive years as a MLA and as a Minister, Speaker or Chairperson (if applicable) multiplied by credited service as a MLA and for each of the three positions (if applicable). A position must be held for a least one year, and the pension for each position is calculated separately. The percentages used to calculate retirement benefits are 2% for the LARAF and 3% for the SRAF.

The normal retirement age under both of these plans is the earliest of (a) age 60, (b) 30 years of service, or (c) age plus service equals 80. A MLA may retire at any time upon ceasing to be a MLA. Early retirement results in a pension reduction of 0.25% for each month a MLA retires before the normal retirement age. The late retirement age for MLAs is up to age 69.

There have been no plan amendments, plan settlements and curtailments or temporary deviations from these plans in 2015 (no changes in 2014).

Actuarial valuations were completed for these plans as of April 1, 2014. The valuations were based on a number of assumptions about future events including inflation rates (2.0%), interest rates (inflation, plus 1.8%), return on assets (inflation, plus 1.8%), increases in remuneration (inflation, plus 1.0%), and mortality. The assumptions used reflect the best estimates as approved by the Management and Services Board of the Legislative Assembly. The valuations were performed using the projected unit credit actuarial cost method. The asset valuation method, market-related value, for the LARAF plan is equal to a smoothed market value which spreads the difference between the actual and expected investment income over a four year period. The effective date of the next actuarial valuations for these plans is April 1, 2017.

The pension liabilities represent the excess of the actuarial present value of accrued pension benefits over the actuarial value of net assets available for benefits.

11 PENSION LIABILITIES (continued)

Based on information provided for the year by the plans' actuary, the MLA pension liabilities as of March 31 are as follows:

	LARAF	SRAF	2015	2014
Accrued benefit obligation	8,687	12,782	21,469	14,837
Deduct:				
Pension fund assets	8,737	-	8,737	6,202
Unamortized actuarial (gain) loss	1,378	2,599	3,977	(233)
	10,115	2,599	12,714	5,969
Pension (asset) liability	(1,428)	10,183	8,755	8,868

As at March 31, 2015, LARAF pension fund assets had a market value of $9,503 (2014 - $6,891). The actual rate of return was positive 10.29% (2014 - 19.80%). The SRAF has no pension fund assets; however, the pension liability is funded all or in part by designated investments (Note 4).

LARAF and SRAF actuarial gains/losses are amortized over 2.6 and 2.7 years respectively (2014 - 6.0 and 6.0 years respectively) which is the estimated average remaining service lives for contributors to these plans.

The total expenses related to MLA pensions include the following components:

	LARAF	SRAF	2015	2014
Current period benefit cost	835	1,275	2,110	2,084
Amortization of actuarial (gains) losses	(13)	73	60	95
	822	1,348	2,170	2,179
MLAs contributions	(219)	-	(219)	(209)
Pension expense	603	1,348	1,951	1,970
Interest cost on the average accrued benefit obligation	315	485	800	737
Expected return on the average pension plan assets	(332)	-	(332)	(301)
Pension interest expense	(17)	485	468	436
Total expenses related to pensions	586	1,833	2,419	2,406

Pension benefits paid for the LARAF and SRAF were $218 and $688, respectively (2014 - $1,770 and $732, respectively).

The Government's contributions related to the LARAF and SRAF during the year were $1,844 and $1,950, respectively (2014 - $643 and $1,258, respectively).

12 OTHER POST-EMPLOYMENT BENEFIT LIABILITIES

In addition to pension benefits, the government provides severance and removal benefits to employees. These benefit arrangements are not prefunded and thus have no assets set aside to fund them, resulting in deficiencies for the arrangements equal to the accrued benefit obligations which are estimated actuarially using information and assumptions approved by management.

	2015	2014
Severance	18,969	18,864
Removal	9,712	10,859
	28,681	29,723

13 LONG TERM DEBT AND BORROWING AUTHORITY LIMIT

Loans and mortgages payable	2015	2014
Loans payable to Canada Mortgage and Housing Corporation (CMHC), repayable in annual installments of $2,285 to the year 2032, bearing interest at a rate of 6.97% (2014 - 6.97%).	12,773	14,061
Mortgage payable in annual installments of $554 to the year 2020, bearing interest at a rate of 6.9% (2014 - 6.9%) compounded semi-annually. The mortgage is secured by a building. The carrying value of the security is $5,464 (2014 - $5,774)	2,568	2,934
Redeemable 20 year amortizing debenture, bearing interest at a rate of 6.809% (2014 - 6.809%) due September 27, 2021. Repayable in blended semi-annual payments of $2,848 with a balloon payment of $17,502 at the end of the term.	39,392	42,259
Non-revolving fixed rate term loan facility with payments of $42 due monthly with the final payment due on May 1, 2021. Interest at 4.24%.	2,711	3,089
Non-revolving fixed rate term loan facility with payments of $53 due monthly with the final payment due on May 1, 2021. Interest at 4.24%.	3,462	3,943
Non-revolving fixed rate term loan facility with payments of $74 due monthly with the final payment due on June 1, 2021. Interest at 4.24%.	4,868	5,539
Non-revolving fixed rate term loan facility with payments of $30 due monthly with the final payment due on February 1, 2022. Interest at 4.24%.	4,283	4,454
Non-revolving fixed rate term loan facility with payments of $133 due monthly with the final payment due on July 1, 2021. Interest at 4.24%.	8,849	10,043
Non-revolving committed loan facility, payments of $88 plus interest due monthly with the final payment due April 1, 2024. Interest at prime minus 0.5%.	21,000	-
Non-revolving committed loan facility, payments of $83 plus interest due monthly with the final payment due November 30, 2022. Interest at prime minus 0.5%.	17,667	18,667
Non-revolving committed loan facility, payments of $67 plus interest due monthly with the final payment due April 30, 2024. Interest at prime minus 0.5%.	15,266	14,000
	132,839	118,989

The QEC bank credit facility limit is $20,000 (2014 - $20,000). The non-revolving committed and bridge loan facilities above each has an option to utilize Bankers' Acceptances with stamping fees calculated at 50 bps per annum with terms not less than 7 days and not more than 365 days and issued and reissued in minimum aggregate amounts of Canadian $1,000 and multiples thereof.

Principal and interest amounts due in each of the next five fiscal years and thereafter on the loans and mortgages payable are as follows:

	Principal	Interest	Total
2016	10,706	5,451	16,157
2017	11,072	4,938	16,010
2018	11,197	4,407	15,604
2019	11,256	3,868	15,124
2020	12,035	3,334	15,369
2021 and beyond	76,573	7,144	83,717
	132,839	29,142	161,981

Interest expense on long term debt was $5,009 for the year (2014 - $5,645). During the year, interest costs of $543 (2014 - $350) were capitalized as part of additions to tangible capital assets. The interest paid on long term debt during the year was $5,588 (2014 - $5,995).

13 LONG TERM DEBT AND BORROWING AUTHORITY LIMIT (continued)

Borrowing Authority

As of March 31, 2015 the Governor General in Council of Canada, pursuant to subsection 27(5) of the *Nunavut Act*, had approved the Government of Nunavut borrowing up to $400 million (i.e., authorized borrowing limit).

	2015	2014
Qulliq Energy Corporation, long term debt	117,498	101,994
Nunavut Housing Corporation, long term debt	12,773	14,061
Consolidated Revenue Fund, mortgage payable	2,568	2,934
Consolidated Revenue Fund, Iqaluit International Airport Improvement Project (Note 14)	53,484	31,885
Capital lease obligations (Note 15)	50,437	59,095
	236,760	209,969
Qulliq Energy Corporation, bank overdraft liability	13,376	14,665
Nunavut Development Corporation, bank overdraft liability and subsidiary credit facilities	-	328
Total debt	250,136	224,962
Authorized borrowing limit	400,000	400,000
Available borrowing capacity	149,864	175,038

The Government of Nunavut guarantees the long term debt of Qulliq Energy Corporation and Nunavut Housing Corporation as well as the bank overdrafts of Qulliq Energy Corporation and Nunavut Development Corporation. As part of their financing, Nunavut Development Corporation subsidiaries have arranged various credit facilities at different terms and interest rates. Nunavut Development Corporation has provided a guarantee for these credit facilities.

Under the terms of the 1999 Social Housing Agreement (SHA), the Government of Canada originally provided funding to the Nunavut Housing Corporation (NHC) to build social housing assets in the form of long-term mortgages payable to CMHC (referred to as section 79 debt under the SHA) and loans payable to CMHC (referred to as section 82 debt under the SHA). Under the SHA, the funding provided to NHC was used to reduce 100% of the section 79 debt and reduce by 5/9th of the section 82 debt, and to fund the related interest payments that NHC would make each year to CMHC. This funding receivable from CMHC and the related payments due by NHC each year on the long term debt payable to CMHC are offset, resulting in no exchange of cash between NHC and CMHC. The funding receivable from CMHC is recorded as a reduction of the corresponding long-term debt payable. As the funding from CMHC and the corresponding repayments of long term debt are non-cash transactions, they have not been recorded in the consolidated statement of cash flow.

14 IQALUIT INTERNATIONAL AIRPORT IMPROVEMENT PROJECT

In September 2013, the Government signed agreements as part of a public-private partnership (P3) arrangement to design, build, finance, operate and maintain new and updated infrastructure at the Iqaluit International Airport. The design and construction components are scheduled to be completed by December 2017 at an estimated cost of $298,518, $277,942 of which represent costs incurred by the P3 proponent. The capital costs of the arrangement will be partially funded up to $77,300 from PPP Canada Inc.

	2015	2014
Total eligible costs incurred by P3 proponent		
Balance, beginning of year	34,685	-
Eligible costs incurred during the year	50,599	34,685
Balance, end of year	85,284	34,685
Total progress payments made by the Government		
Balance, beginning of year	2,800	-
Progress payments made during the year	29,000	2,800
Balance, end of year	31,800	2,800
Liability as at March 31	53,484	31,885

15 CAPITAL LEASE OBLIGATIONS

Capital lease obligations are based upon contractual minimum lease payments for leases in effect as of March 31.

	2015	2014
Total minimum lease payments	61,976	74,653
Less: imputed interest	(11,367)	(15,006)
Less: executory costs	(172)	(552)
Present value of minimum lease payments	50,437	59,095

Minimum lease payments, including principal, interest and executory costs, for each of the next 5 years and thereafter are as follows:

	Principal	Interest	Executory	Total
2016	8,130	3,203	38	11,371
2017	8,729	2,626	38	11,393
2018	9,320	2,007	36	11,363
2019	9,871	1,346	12	11,229
2020	7,093	743	12	7,848
2021 and beyond	7,294	1,442	36	8,772
	50,437	11,367	172	61,976

Lease payments are allocated between repayments of the liability, interest expense and any related executory costs. The total minimum lease payments less the initial liability and executory costs represents the total interest cost of the lease. The interest expense is calculated using the same discount rate used in computing the present value of the minimum lease payments applied to the outstanding lease liability at the beginning of the lease payment period.

Interest expense related to capital lease obligations for the year was $3,807 (2014 - $4,535) at an implied average interest rate of 7.5% (2014 - 7.7%). The capital lease obligations expire between 2016 and 2027.

16 EXPENSES BY TYPE

	2015	2014 Restated - Note 2(q)
Compensation and employee benefits	602,712	575,135
Grants and contributions	178,153	164,527
Goods and services	1,031,032	996,501
Amortization of tangible capital assets	101,390	99,495
Interest expense	9,585	10,859
Increase in valuation allowances	5,132	5,500
	1,928,004	1,852,017

17 CONTRACTUAL OBLIGATIONS

The Government has entered into agreements for, or is contractually obligated for, the following payments subsequent to March 31, 2015:

	Year of Expiration	Total
Commitments under operating leases	2027	188,567
Capital commitments	2019	264,062
Policing agreement	2032	720,234
Other commitments	2047	1,236,824
		2,409,687

Contractual obligations by fiscal year are as follows:

2016	392,481
2017	165,655
2018	129,332
2019	90,183
2020	78,240
2021 and beyond	1,553,796
	2,409,687

18 CONTINGENCIES

(a) Post-division adjustments

The agreement governing the division of assets and liabilities between the Government of Nunavut and the Government of the Northwest Territories as at April 1, 1999 sets out a mechanism which provides for post-division adjustments.

The period for such adjustments is unlimited; and such adjustments could be made in a variety of specified circumstances such as the settlement of litigation related to events prior to the date of division. In such an event, there is an opportunity for one of the governments to file a claim against the other government to share in costs. Post-division adjustments will be recognized in the year the liability can be reasonably estimated. As at March 31, 2015, no new post-division adjustments were recorded.

(b) Environmental Protection Compliance Orders

The Government's Petroleum Products Division and Qulliq Energy Corporation (QEC) received Environmental Protection Compliance Orders (EPCOs) from Environment Canada related to contraventions of regulations for Storage Tank Systems for Petroleum Products at selected facilities in Iqaluit, Rankin Inlet, Whale Cove and Sanikiluaq. The regulations provide for penalties for continued contravention by failure to address EPCOs. The work to comply with the regulations at these facilities was commenced in 2014-15 and is to be completed during the 2015-16 fiscal year. Compliance with the regulations at the Government's remaining storage tank farms facilities is expected to be completed over the years 2016 to 2021. Environment Canada has agreed to postpone further enforcement action pending satisfactory completion of the work as scheduled.

(c) Litigation

A number of cases of alleged sexual abuse by former employees or contractors in Nunavut when it was part of the Northwest Territories have been filed or are pending. The Nunavut and the Northwest Territories governments will jointly defend any such proceedings and the cost of defending the actions and any damages that may eventually be awarded will be shared by the two governments 44.34% and 55.66%, respectively. An estimate of any liability that may result from these actions is not determinable at this time; consequently no liability has been accrued.

There are a number of claims and threatened litigation cases outstanding against the Government for which the outcomes are not determinable, including a number of cases where an amount is not specified. The nature of these claims include wrongful dismissal, breach of policy, personal injury, sexual abuse, negligence, wrongful arrest and assault. As of March 31, 2015, all of these claims have been assessed as being either without merit or not determinable at this time.

(d) Pay Equity

There are a number of pay equity claims outstanding against the Government of Nunavut primarily for job rating evaluations of specific trades. The Government is working with Nunavut Employees Union in order to resolve the claims. However, the outcome of these claims is not determinable at this time. As of March 31, 2015, no provision has been made in these consolidated financial statements.

(e) Other

Under the terms of the Social Housing Agreement with Canadian Mortgage and Housing Corporation (CMHC), Nunavut Housing Corporation (NHC) is responsible for the administration of a number of loans to third parties, where CMHC is the lender or insurer of these loans. The agreement provides that NHC shall indemnify and reimburse CMHC for, and save it harmless from, all losses, costs and expenses related to these loans. The carrying value of these third party loans is approximately $1,881 as at March 31, 2015 (2014 - $2,140).

19 RELATED PARTY TRANSACTIONS

Significant related party transactions and balances are disclosed separately in these consolidated financial statements.

20 TRUSTS UNDER ADMINISTRATION

The Government administers trust accounts on behalf of third parties, which are not included in the reported Government assets and liabilities.

	2015	2014
Public Trustee	5,103	4,495
Territorial Court Trust	451	212
Natural Resources Conservation Trust	293	290
	5,847	4,997

21 CONSOLIDATED BUDGET

The schedule below reconciles the Government's budget presented to the Legislative Assembly to the consolidated budget totals for 2014-15 reported in the Consolidated Statement of Operations and Accumulated Surplus.

	Budget Per Main Estimates (1)	Budgets of Territorial Corporations (2)	Budgeted Consolidation Adjustments (3)	Consolidated Budget
Revenues				
From the Government of Canada	1,557,000	81,800	-	1,638,800
From the Government of Nunavut	-	274,800	(274,800)	-
Revenues generated by the Government of Nunavut	355,800	171,500	(125,800)	401,500
Total revenues	**1,912,800**	**528,100**	**(400,600)**	**2,040,300**
Expenses				
Community and Government Services	490,900	-	(64,800)	426,100
Health	378,800	-	(900)	377,900
Education	247,200	58,500	(48,100)	257,600
Housing	206,800	262,200	(219,200)	249,800
Finance	117,500	126,700	(55,400)	188,800
Family Services	127,800	-	(100)	127,700
Justice	111,700	-	-	111,700
Economic Development and Transportation	102,600	9,400	(5,200)	106,800
Executive and Intergovernmental Affairs	30,800	-	(400)	30,400
Environment	29,100	-	-	29,100
Culture and Heritage	28,400	-	(1,300)	27,100
Legislative Assembly	23,600	-	-	23,600
Total expenses	**1,895,200**	**456,800**	**(395,400)**	**1,956,600**
Surplus (deficit) for year	**17,600**	**71,300**	**(5,200)**	**83,700**

(1) The budgeted totals originally presented to the Legislative Assembly have been adjusted for the projected supplementary requirements, principal payments on capital leases, amortization and transfers to tangible capital assets included in the 2014-2015 Main Estimates and Capital Estimates. Further, budgeted revenues generated by the Government of Nunavut shown on a net basis in the Main Estimates have been increased $197,300 to reclassify cost of goods sold (COGS) of revolving funds to expenses. Budgeted expenses of Finance and Community and Government Services have been increased by $2,800 and $194,500 respectively to reflect the COGS of the revolving funds.

(2) The budgets of the territorial corporations have been allocated to the government's expense lines based on their ministerial reporting relationship.

(3) The budgeted consolidation adjustments are based on amounts budgeted by the territorial corporations and government departments or where necessary estimated based on historical experience.

22 COMPARATIVE INFORMATION

Certain comparative figures have been reclassified to conform to the current year's presentation.

23 SUBSEQUENT EVENTS

On April 2, 2015 QECs electrical generation plant at Pangnirtung was destroyed by fire. There were no injuries. The cost of the cleanup, the short term facilities, the medium term facilities and, in the longer term, the new plant that will be built are substantially covered by insurance. The remaining new book value of the plant at March 31, 2015 was $1,600. The amount that will need to be written off in 2016 is not known at this time but will likely be a substantial portion of the net book value.

On April 24, 2015 there was a fire at the Nunavut Arctic College's Ukkivik residence, causing extensive damage to the building. There were no reports of injuries. The remaining net book value of the building at March 31, 2015 was $627. Future plans for the building are not known at this time, as such, the amount that will need to be written off in 2016 is also not known at this time.

On May 28, 2015 the Governor General in Council of Canada, pursuant to subsection 27(5) of the *Nunavut Act*, approved an increase of the Government of Nunavut borrowing up to $650,000 (i.e., authorized borrowing limit).

On September 5, 2015, there was a fire at the new air terminal building. There were no reports of injuries. An engineering investigation by the design builder will have to determine the extent of the fire and water damage before any determination on schedule changes can be made. The fire is not expected to have any effect on the cost of the project to the Government of Nunavut.

On September 6, 2015, the Peter Pitseolak High School in Cape Dorset was destroyed by fire. There were no injuries. The cost of the cleanup and replacement is not known at this time. The remaining net book value of the school at March 31, 2015 was $14,450. The amount that will need to be written off in 2016 is not known at this time but will likely be a substantial portion of the net book value.

GOVERNMENT OF NUNAVUT **SCHEDULE A**
PUBLIC ACCOUNTS
Consolidated Schedule of Revenues by Source
for the year ended March 31, 2015
(in thousands of dollars)

	2015 Actual	2014 Actual
From the Government of Canada		
Territorial Formula Financing	1,409,107	1,350,391
Transfers under third-party funding agreements	126,246	137,232
Other transfer payments	150,816	117,716
	1,686,169	1,605,339
Revenues generated by the Government of Nunavut		
Personal income tax	28,316	29,697
Corporate income tax	14,878	14,118
Payroll tax	25,244	23,489
Tobacco tax	16,429	16,133
Fuel tax	5,473	4,684
Property tax	4,407	2,974
Insurance tax	1,695	1,343
Sales		
Petroleum Products Revolving Fund - before cost of goods sold of $128,029 (2014 - $119,785)	150,697	141,272
Liquor Revolving Fund - before cost of goods sold of $2,199 (2014 - $2,187)	5,869	5,991
Nunavut Development Corporation - before cost of goods sold of $3,983 (2014 - $4,951)	3,838	5,173
Qulliq Energy Corporation - power sales	74,638	61,102
Staff housing recoveries	18,850	18,539
Transfers under third-party funding agreements	1,796	2,232
Recoveries of prior years expenditures	12,785	9,289
Other revenues	58,423	64,609
	423,338	400,645
Total revenues	2,109,507	2,005,984

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SECTION II

NON-CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

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GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Non-Consolidated Statement of Financial Position (unaudited)
as at March 31, 2015
(in thousands of dollars)

	Note	2015	2014
Financial assets			
Cash and cash equivalents	3	422,665	476,023
Due from the Government of Canada	4	52,390	45,718
Revenues receivable	5	101,085	101,988
Inventories for resale	6(a)	217,497	78,740
Loans receivable	7	26,815	26,825
Designated investments	8	11,517	9,420
Total financial assets		831,969	738,714
Liabilities			
Accounts payable and accrued liabilities	9	311,260	241,051
Deferred revenues	10	82,006	86,577
Liability for contaminated sites	11	8,834	13,920
Pension liabilities	12	8,755	8,868
Other post-employment benefit liabilities	13	23,036	24,275
Mortgage payable	14	2,568	2,934
Iqaluit International Airport Improvement Project	15	53,484	31,885
Capital lease obligations	16	46,612	53,421
Total liabilities		536,555	462,931
Net financial assets		295,414	275,783
Non-financial assets			
Tangible capital assets (Schedule C)		1,180,026	1,091,536
Inventories for use	6(b)	3,055	2,855
Prepaid expenses		2,839	2,267
Total non-financial assets		1,185,920	1,096,658
Accumulated surplus		1,481,334	1,372,441

Contractual obligations (Note 18)
Contingencies (Note 19)

The accompanying notes and schedules are an integral part of these non-consolidated financial statements.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Non-Consolidated Statement of Operations and Accumulated Surplus (unaudited)
for the year ended March 31, 2015
(in thousands of dollars)

	2015 Budget (Note 22)	2015 Actual	2014 Actual
Revenues (Schedule A)			
From the Government of Canada	1,556,980	1,616,423	1,574,306
Tax revenues generated by the Government of Nunavut	89,700	96,442	92,438
Other revenues generated by the Government of Nunavut	68,786	69,644	78,161
Recoveries of prior years expenditures	-	12,785	9,289
Total revenues	1,715,466	1,795,294	1,754,194
Expenses (Schedule B)			
Operations and maintenance expenses before amortization	1,509,332	1,506,366	1,453,811
Plus: Amortization expenses on tangible capital assets	44,807	58,663	57,682
Total operations and maintenance expenses	1,554,139	1,565,029	1,511,493
Capital expenditures	262,115	268,525	239,296
Less: Transfers to tangible capital assets	118,424	147,153	145,291
Total capital expenses	143,691	121,372	94,005
Total expenses	1,697,830	1,686,401	1,605,498
Surplus (deficit) for year	17,636	108,893	148,696
Accumulated surplus, beginning of year	1,372,441	1,372,441	1,223,745
Accumulated surplus, end of year	1,390,077	1,481,334	1,372,441

The accompanying notes and schedules are an integral part of these non-consolidated financial statements.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Non-Consolidated Statement of Change in Net Financial Assets (unaudited)
for the year ended March 31, 2015
(in thousands of dollars)

	2015 Budget	2015 Actual	2014 Actual
Surplus (deficit) for year	17,636	108,893	148,696
Tangible capital assets (Schedule C)			
Additions	(118,424)	(147,153)	(145,291)
Amortization	44,807	58,663	57,682
	(73,617)	(88,490)	(87,609)
Additions to inventories for use	-	(5,749)	(6,127)
Consumption of inventories for use	-	5,549	5,760
Net use (additions) of prepaid expenses	-	(572)	(274)
	-	(772)	(641)
Increase (decrease) in net financial assets	(55,981)	19,631	60,446
Net financial assets, beginning of year	275,783	275,783	215,337
Net financial assets, end of year	219,802	295,414	275,783

The accompanying notes and schedules are an integral part of these non-consolidated financial statements.

GOVERNMENT OF NUNAVUT **SCHEDULE B**

PUBLIC ACCOUNTS

Consolidated Schedule of Tangible Capital Assets

for the year ended March 31, 2015

(in thousands of dollars)

	Buildings	Leased Buildings	Storage Facilities	Tank Farms	Equip-ment	Warehouse / Equipment (QEC)	Electric Power Plants	Transmission Distribution Systems	Infra-structure	Land	2015	2014 Restated - Note 7(q)
Cost of tangible capital assets												
Opening balance	1,865,197	139,698	51,313	161,245	105,340	46,699	193,196	57,516	177,667	918	2,798,789	2,660,971
Additions	9,920	343	-	-	4,267	-	-	-	123	-	14,653	16,004
Transferred from work in progress	26,847	-	1,023	-	2,073	1,352	6,709	2,278	2,380	-	42,662	140,845
Disposals	(3,550)	(18,062)	-	-	(1,698)	(313)	-	-	-	-	(23,623)	(19,031)
Closing balance	1,898,414	121,979	52,336	161,245	109,982	47,738	199,905	59,794	180,170	918	2,832,481	2,798,789
Accumulated amortization												
Opening balance	(653,874)	(73,548)	(24,552)	(60,817)	(73,468)	(17,096)	(78,208)	(17,811)	(57,555)	-	(1,056,929)	(974,825)
Amortization	(60,470)	(5,092)	(1,605)	(5,390)	(12,086)	(1,733)	(7,900)	(1,328)	(5,786)	-	(101,390)	(99,495)
Disposals	3,029	18,062	-	-	1,499	256	733	-	-	-	23,579	17,391
Closing balance	(711,315)	(60,578)	(26,157)	(66,207)	(84,055)	(18,573)	(85,375)	(19,139)	(63,341)	-	(1,134,740)	(1,056,929)
Work in progress												
Opening balance	118,355	-	344	10,916	2,520	2,601	22,412	1,954	11,763	-	170,876	138,371
Additions	169,548	-	692	13,867	327	1,269	19,304	4,694	4,286	-	213,987	173,350
Transferred to cost of tangible capital assets	(26,847)	-	(1,023)	-	(2,073)	(1,352)	(6,709)	(2,278)	(2,380)	-	(42,662)	(140,845)
Closing balance	261,057	-	13	24,783	774	2,518	35,007	4,370	13,669	-	342,201	170,876
Net book value	1,448,166	61,401	26,192	119,821	26,701	31,683	149,537	45,025	130,498	918	2,039,942	1,912,736
Estimated useful life	20-30 years	20-30 years	30 years	30 years	5-30 years	1-45 years	20-40 years	15-40 years	30 years			

Note: During the year, interest of $543 was capitalized (2014 - $350) as part of the cost of additions.

GOVERNMENT OF NUNAVUT **SCHEDULE C**

PUBLIC ACCOUNTS

Consolidated Schedule of Segmented Information

for the year ended March 31, 2015

(in thousands of dollars)

	Consolidated Revenue Fund	Revolving Funds	Territorial Corporations	Total for All Segments	Consolidation Adjustments (1)	2015	2014 Restated - Note 2(q)
Revenues							
From the Government of Canada							
Territorial Formula Financing Agreement	1,409,107	-	-	1,409,107	-	1,409,107	1,350,391
Transfers under third-party funding agreements	125,034	-	1,212	126,246	-	126,246	137,232
Other transfer payments	82,282	-	68,534	150,816	-	150,816	117,716
	1,616,423	-	69,746	1,686,169	-	1,686,169	1,605,339
Generated by the Government of Nunavut							
Corporate and personal income taxes	43,194	-	-	43,194	-	43,194	43,815
Other taxes	53,248	-	-	53,248	-	53,248	48,623
Sales	-	231,734	129,833	361,567	(126,525)	235,042	213,538
Transfers under third-party funding agreements	1,796	-	-	1,796	-	1,796	2,232
General	41,510	-	331,275	372,785	(295,512)	77,273	83,148
	139,748	231,734	461,108	832,590	(422,037)	410,553	391,356
Recoveries of prior years expenditures	12,785	-	-	12,785	-	12,785	9,289
Total revenues	1,768,956	231,734	530,854	2,531,544	(422,037)	2,109,507	2,005,984
Expenses							
Compensation and employee benefits	507,663	6,268	82,960	596,891	5,821	602,712	575,135
Grants and contributions	418,348	-	-	418,348	(240,195)	178,153	164,527
Goods and services	670,216	224,640	328,732	1,223,588	(192,556)	1,031,032	996,501
Amortization of tangible capital assets	58,663	-	43,033	101,696	(306)	101,390	99,495
Interest expense	3,726	15	6,082	9,823	(238)	9,585	10,859
Increase in valuation allowances	1,739	519	1,874	4,132	1,000	5,132	5,500
Total expenses	1,660,355	231,442	462,681	2,354,478	(426,474)	1,928,004	1,852,017
Surplus (deficit) for year	108,601	292	68,173	177,066	4,437	181,503	153,967

(1) - Includes adjustments to eliminate inter-entity balances to comply with Canadian public sector accounting standards. For example, contributions by departments to revolving funds, territorial corporations and other agencies (i.e. consolidated entities) are shown in grants and contributions expense under the "Consolidated Revenue Fund" column, while the amounts received by the applicable consolidated entity group are shown as revenues in their respective columns. These amounts are eliminated upon consolidation to avoid double-counting and results in significant amounts shown in the 'Consolidation Adjustments' column.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Non-Consolidated Statement of Cash Flow (unaudited)
for the year ended March 31, 2015
(in thousands of dollars)

	2015	2014
Cash provided by (used for) operating activities:		
Transfers from the Government of Canada	1,598,157	1,563,707
Taxes	96,050	92,350
Other government revenues	268,189	264,955
Interest on loans receivable and portfolio investments	1,130	963
Interest payments on capital leases and mortgage	(3,834)	(3,940)
Compensation and employee benefits	(512,859)	(477,606)
Grants and contributions	(463,501)	(438,744)
Goods and services	(901,952)	(766,608)
	81,380	235,077
Cash provided by (used for) capital activities:		
Tangible capital asset acquisitions	(125,554)	(113,406)
	(125,554)	(113,406)
Cash provided by (used for) investing activities:		
Loans issued to municipalities, businesses and individuals	(396)	(592)
Loan repayments by municipalities, businesses and individuals	484	441
Working capital advance to Nunavut Business Credit Corporation	-	(7,000)
Designated investments acquisitions	(2,097)	(1,264)
	(2,009)	(8,415)
Cash provided by (used for) financing activities:		
Principal payments on capital leases	(6,809)	(6,650)
Principal payments on mortgage payable	(366)	(342)
	(7,175)	(6,992)
Increase (decrease) in cash and cash equivalents	(53,358)	106,264
Cash and cash equivalents, beginning of year	476,023	369,759
Cash and cash equivalents, end of year (Note 3)	422,665	476,023

The accompanying notes and schedules are an integral part of these non-consolidated financial statements.

1 AUTHORITY AND OPERATIONS

(a) Government of Nunavut

The Government of Nunavut (the Government) operates under the authority of Canada's *Nunavut Act*. The Government has an elected Legislative Assembly which authorizes disbursements, advances, loans and investments, except those specifically authorized by statute.

(b) Main Estimates

The 2014-2015 Main Estimates were tabled in the Legislative Assembly in May 2014 and represent the Government's fiscal plan for the year (i.e., original budget). Summary information and totals for government's original budget for the year are provided on pages x through xiii of the 2014-2015 Main Estimates. Planned Vote 5 revenues and Vote 4 expenses represent the share of eligible costs to be funded under agreements with the Government of Canada or others, and while not part of the annual Appropriations (Operations and Maintenance) Act approved by the Legislative Assembly in June 2014, they are, along with those of revolving funds, included in the original budget totals disclosed in these financial statements.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

These non-consolidated financial statements are prepared in accordance with Canadian public sector accounting standards (PSAS), as issued by the Public Sector Accounting Board of Canada, with the exception that they are not consolidated and certain revenues are reported net of expenses (i.e., The petroleum products division and liquor revenues are reported net of their cost of goods sold).

Pursuant to Section 74 of the *Financial Administration Act*, the Government also prepares consolidated financial statements, which provide an accounting of the full nature and extent of the financial affairs and resources for which the Government is responsible. The consolidated reporting entity is defined in those statements.

(b) Reporting entity

These financial statements include the assets, liabilities and operating results of the Government's Consolidated Revenue Fund, including departments included in the Main Estimates, as well as the following revolving funds:

Liquor Revolving Fund
Petroleum Products Revolving Fund
Public Stores Revolving Fund
Student Loan Fund

Revolving funds are established by the Government to provide the required working capital to deliver goods and services to the general public and to Government departments.

The following public agencies are included in these non-consolidated financial statements only to the extent of the Government's contributions to and services received from or provided to them during the year:

Territorial corporations
- Nunavut Arctic College (NAC)
- Nunavut Business Credit Corporation (NBCC)
- Nunavut Development Corporation (NDC)
- Nunavut Housing Corporation (NHC)
- Qulliq Energy Corporation (QEC)

Other public agencies
- District Education Authorities
- Human Rights Tribunal
- Inuit Uqausinginnik Taiguusiliuqtiit
- Labour Standards Board
- Legal Services Board
- Liquor Commission
- Nunavut Liquor Licensing Board
- Office of the Public Trustee
- Qullit Nunavut Status of Women Council

Nunavut Lottery, which operates as a government business partnership, is recorded in these non-consolidated financial statements based on the contributions received during the year from the net results of lottery sales and activities in Nunavut.

The Workers' Safety and Compensation Commission (WSCC), which is responsible for the administration of related employer insurance premiums and employee benefit programs within Nunavut, is not accounted for in these financial statements. Since the Government does not control or have access to the WSCC's assets or responsibility for its obligations, it is excluded from the Government's financial reporting entity.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Use of estimates and measurement uncertainty

The preparation of financial statements in accordance with Canadian PSAS requires the Government to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the financial statements. By their nature, these estimates and assumptions are subject to measurement uncertainty. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant, although, at the time of preparation of these financial statements, the Government believes the estimates and assumptions to be reasonable. The more significant areas where estimates and assumptions have been used to prepare these financial statements include:

(i) Income tax revenues collected by the Government of Canada on the Government's behalf.

(ii) Allowance for doubtful accounts, loan valuation allowances, provision for losses on loan guarantees, amortization of tangible capital assets, liability for contaminated sites, contingencies and other post-employment benefit liabilities.

(d) Cash and cash equivalents

Cash and cash equivalents are comprised of bank account balances, net of outstanding cheques, and short term highly liquid investments that are readily convertible to cash with a maturity term of 12 months or less from the time of their acquisition. Cash equivalents are recorded at cost. Short term investments are recorded at the lower of cost or market value.

(e) Inventories

Inventories for resale include bulk fuel and liquor products. Bulk fuel is valued at the lower of weighted average cost or replacement cost. Liquor products are valued at the lower of cost or net realizable value on a first-in, first-out basis. Inventory for use includes health and medical supplies valued at the lower of cost or replacement cost, with the cost being determined on a first-in, first-out basis.

(f) Loans receivable

Loans receivable are valued at the lower of cost or net recoverable value. Based on the circumstances known at the date the financial statements are prepared, including past events and current conditions, valuation allowances are recorded when collection is considered doubtful or when the value of a loan receivable is impaired. Interest revenue is recorded on an accrual basis when the collectability of both principal and interest are reasonably assured. An uncollectible or impaired loan receivable balance can be written off only upon receipt of required statutory approvals.

(g) Tangible capital and leased assets

Tangible capital assets are non-financial assets whose useful life exceeds one fiscal year and are intended to be used on an ongoing basis for delivering government services. They may include such diverse items as buildings, vehicles, equipment, aircraft and computer hardware and software systems.

Tangible capital assets are recorded at cost or, where actual cost is not available, estimated current replacement cost is used. Gifted or contributed tangible capital assets are recorded at fair market value upon receipt, or a nominal value if fair value is not available.

Leased assets that meet the definition of a tangible capital asset, except that they are held under lease by the Government, are capitalized and reported as such if, in substance, their terms and conditions transfer substantially all of the benefits and risks of ownership to the Government. Legal ownership may not necessarily have been transferred. The lease liability and corresponding asset are recorded based on the present value of payments due over the course of the lease. The present value is based on the lower of the rate implicit in the lease or the Government's incremental borrowing rate at the time the obligation is incurred.

Tangible capital assets, when placed into service, are amortized over their useful lives using the straight line method. When assets are leased, the amortization rate will be based on the lesser of the lease terms or the useful lives of the leased assets. The following amortization rates are being used:

Asset Category	Amortization Period
Buildings	30 years
Leased Buildings	30 years
Infrastructure	30 years
Tank Farms	30 years
Storage Facilities	30 years
Equipment	5-30 years
Land	Not amortized

When conditions indicate that a tangible capital asset no longer contributes to the Government's ability to provide goods and services, or that the value of future economic benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible capital asset is reduced to reflect the decline in the asset's value.

In the year a tangible capital asset is acquired or put into service, amortization is taken for the full year. Tangible capital assets under construction or development are recorded as work in progress with no amortization taken until the year the asset is placed into service.

Assets acquired by right, such as Crown lands, water and mineral resources, are not recorded in the financial statements. The cost of works of art and museum collections consisting mainly of paintings, sculptures, drawings, prints and photographs are charged to expense in the year they are acquired.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Sick leave

The Government's employees are entitled to sick leave under the terms of employment. The liability for employee leave benefits is recorded as accrued liabilities as the benefits accrue to employees.

Included in accounts payable and accrued liabilities is an amount for employees who are permitted to accumulate unused sick leave. However, such entitlements do not vest and can be used only in the event of illness. The amount of accumulated sick leave entitlements which are expected to be used in future years is determined by an actuarial valuation and has been recorded in the financial statements.

(i) Pension and other post-employment benefits

Pension benefits

Substantially all of the employees of the Government of Nunavut are covered by the public service pension plan (the "Plan"), a defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Government of Nunavut to cover current service cost. Pursuant to legislation currently in place, the Government of Nunavut has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, contributions are recognized as an expense in the year when employees have rendered service and represent the total pension obligation of the Government of Nunavut.

In addition, the Government provides two different pension benefits to Members of the Legislative Assembly. The costs and obligations of the Government for these pension benefits are estimated on an actuarial basis. When actual experience varies from estimates, or when actuarial assumptions change, actuarial gains or losses arise. These gains and losses are not recognized immediately but rather over the estimated average remaining service lives of the contributors. Recognition of actuarial gains and losses commences in the year following the effective date of the related actuarial valuations. In addition, upon a plan amendment, curtailment or settlement, previously unrecognized net actuarial gain or loss balances will require immediate recognition.

Other post-employment benefits

Under the terms and conditions of employment, Government employees may earn severance and removal benefits based on years of service. These benefits are paid upon resignation, retirement or death of the employee. The estimated liability and related expenses for these benefits are recorded as employees earn them. An actuarial valuation of the cost of these benefits has been prepared using data provided by management and assumptions based on management's best estimates. Termination benefits are recorded when employees are identified for lay-off.

(j) Revenues

Unless otherwise stated, all revenues are recognized and reported on an accrual basis in the period in which transactions or events give rise to the revenues. Specific revenue accounting policies are as follows:

Transfers from the Government of Canada

Transfers from the Government of Canada are recognized as revenue when the funding is authorized and any eligibility criteria are met, except to the extent that funding stipulations give rise to an obligation that meets the definition of a liability and is recorded as deferred revenue.

Taxes

Income tax revenue is recognized when the taxpayer has earned income that is subject to tax. Income tax is calculated net of tax deductions and credits allowed under the Income Tax Act. If an expense provides a financial benefit other than a relief of taxes, it is classified as a transfer made through the tax system. If an expense provides tax relief to a taxpayer and relates to revenue, this expense is considered a tax concession and is netted against tax revenues. Tax concessions transferred to taxpayers include the Nunavut child tax benefit, the cost of living tax credit and the business training tax credit. Taxes, under the Income Tax Act, are collected by the Government of Canada on behalf of the Government of Nunavut under a tax collection agreement and are remitted to the Government. The remittances are based on the Government of Canada's estimates for the taxation year, which are periodically adjusted until the income tax assessments for the year are finalized. These income tax adjustments are accounted for in the year known.

Fuel, tobacco, and payroll taxes are levied under the authority of the *Petroleum Products Tax Act*, the *Tobacco Tax Act* and the *Payroll Tax Act*, respectively. Revenues are recognized on an accrual basis based on the statements received from collectors or employers. Adjustments from reassessments are recorded in revenue in the year they are identified. Tobacco tax commission on tobacco tax revenue provides a financial benefit other than relief of taxes and is recorded as an expense.

Property taxes are assessed on a calendar year basis and are recorded on an accrual basis in the fiscal year.

Other taxes are accrued based on information provided by those parties which collect tax on the Government's behalf.

Recoveries of prior years expenditures

Recoveries of prior years expenditures, including reversals of prior years expenditure over-accruals, are reported separately from other revenues on the statement of operations. Pursuant to the subsection 36(9) of the *Financial Administration Act*, these recoveries cannot be used to increase the amount appropriated for current year expenditures.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Expenses

Expenses are recorded on an accrual basis when goods are received or services are rendered.

Grants and contributions are recognized as expenses provided that the transfer is authorized and all eligibility criteria have been met by the recipient. Grants and contributions include transfer payments to individuals, municipalities and other organizations under government funding arrangements. Payments to individuals include payments for children's benefits, income support or income supplement. These payments are based on age, family status, income, and employment criteria. Other grants and contributions are provided to conduct research, to establish new jobs through support for training and to promote educational, health and cultural activities.

(l) Contingencies

The contingencies of the Government are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the future event is likely to occur and is quantifiable, an estimated liability is accrued. If the likelihood is not determinable or the amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements and no liability is accrued. Contingent liabilities result from potential environmental contingencies or pending litigation and like items.

(m) Liability for contaminated sites

Contaminated sites are the result of contamination being introduced into air, soil, water or sediment in concentrations that exceeds the maximum acceptable amounts under an environmental standard.

A liability for remediation of a contaminated site is recognized when all of the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the Government is directly responsible or accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability for contaminated sites reflects the Government's best estimate of the amount required to remediate sites to the current minimum standard for its use prior to the contamination.

The liability is recognized net of any expected recoveries and includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring.

The liability is adjusted each year for the passage of time, new obligations, changes in management estimates and actual costs incurred.

If the likelihood of a future event that would confirm the Government's responsibility is not determinable, a contingent liability is disclosed in the notes to the financial statements.

(n) Changes in accounting policies

Effective April 1, 2014, the Government adopted PS 3260 - Liability for Contaminated Sites, a new Public Sector Accounting Handbook section. This section establishes recognition, measurement and disclosure standards for liabilities related to contaminated sites. The Government adopted the policy on a prospective basis. There is no significant impact for the current year on the financial statements, other than the required disclosure.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Future changes in accounting standards

A number of new and amended standards issued by the Public Sector Accounting Board of Canada are not yet effective and have not been applied in preparing these financial statements. The Government plans to adopt these new and amended standards on their effective dates and is currently assessing the impact they will have on its financial statements. The following standards for governments will become effective as follows:

PS 2200 Related Party Disclosures (effective April 1, 2017), a new standard establishing disclosure requirements for related party transactions.

PS 3210 Assets (effective April 1, 2017), a new standard providing guidance for applying the definition of assets set out in *PS 1000 Financial Statement Concepts*.

PS 3320 Contingent Assets (effective April 1, 2017), a new standard establishing disclosure requirements for contingent assets.

PS 3380 Contractual Rights (effective April 1, 2017), a new standard defining and establishing disclosure requirements for contractual rights.

PS 3420 Inter-Entity Transactions (effective April 1, 2017), a new standard establishing guidance on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and a recipient perspective.

PS 3430 Restructuring Transactions (effective April 1, 2018), a new standard defining a restructuring transaction and establishing guidance for recognizing and measuring assets and liabilities transferred in a restructuring transaction.

PS 2601 Foreign Currency Translation (effective April 1, 2019), replaces PS 2600 with revised guidance on the recognition, presentation and disclosure of transactions and balances that are denominated in a foreign currency.

PS 3450 Financial Instruments (effective April 1, 2019), a new standard establishing guidance on the recognition, measurement, presentation and disclosure of financial instruments, including derivatives.

PS 1201 Financial Statement Presentation (effective in the period PS 3450 and PS 2601 are adopted), replaces PS 1200 with revised general reporting principles and standards of presentation and disclosure for government financial statements.

PS 3041 Portfolio Investments (effective in the period PS 3450, PS 2601 and PS 1201 are adopted), replaces PS 3040 with revised guidance on accounting for, and presentation and disclosure of, portfolio investments.

(p) Services provided without charge

The Government of Nunavut receives audit services at no charge from the Office of the Auditor General of Canada. That Office's costs for these services have not been recorded in these financial statements.

3 CASH AND CASH EQUIVALENTS

	2015	2014
Cash	422,665	455,563
Guaranteed investment certificates	-	20,460
	422,665	476,023

During the year, government earned interest of prime less 1.75% on its net bank balances (2014 - prime less 1.75%).

4 DUE FROM THE GOVERNMENT OF CANADA

	2015	2014
Grant receivable:		
From the Government of Canada (Schedule A)	1,409,107	1,350,391
Less: Payments received	(1,409,107)	(1,350,391)
	-	-
Balance of grant receivable, beginning of the year	-	-
Balance of grant receivable, end of the year	-	-
Other receivables:		
Other receivables from the Government of Canada	52,390	45,718
	52,390	45,718

The amounts due from the Government of Canada are non-interest bearing. The carrying amounts approximate fair market value because of the short term to maturity.

5 REVENUES RECEIVABLE

	2015	2014
Receivable by funds		
Consolidated Revenue Fund	41,605	51,717
Petroleum Products Revolving Fund	73,188	63,153
Public Stores Revolving Fund	50	50
Liquor Revolving Fund	1	1
	114,844	114,921
Less: Allowance for doubtful accounts	(13,759)	(12,933)
	101,085	101,988
Receivable by relation with the creditors		
Nunavut Arctic College	8,687	4,928
District Education Authorities	2,505	5,371
Nunavut Business Credit Corporation	253	347
Nunavut Development Corporation	15	56
Nunavut Housing Corporation	12,749	10,615
Qulliq Energy Corporation	31,793	26,506
Receivable from related parties	56,002	47,823
Other accounts receivable	58,842	67,098
	114,844	114,921
Less: Allowance for doubtful accounts	(13,759)	(12,933)
	101,085	101,988

6 INVENTORIES

	2015	2014
(a) For resale		
Bulk fuels	215,851	77,180
Liquor products	1,646	1,560
	217,497	78,740

There was no write-down for bulk fuels inventory for 2015 (2014 - $287).

(b) For use		
Health and medical supplies	3,055	2,855

7 LOANS RECEIVABLE

	2015	2014
Working Capital advances to the Nunavut Business Credit Corporation. The term is indeterminate with the option to repay any portion of the principal on any interest payment date. Interest is calculated at selected Government of Canada three year benchmark bond yields ranging between 0.39% and 1.18% (2014 - 1.02% and 1.43%) at the end of the month, compounded annually.	25,243	25,294
Student Loan Fund loans, bearing interest between 0% and 12.5%, net of doubtful accounts and valuation allowances of $4,694 (2014 - $4,553)	1,572	1,531
Other, net of valuation allowances of $64 (2014 - $64)	-	-
	26,815	26,825

8 DESIGNATED INVESTMENTS

	2015	2014
SRAF designated investments	11,517	9,420

The Supplementary Retiring Allowances Fund of the Legislative Assembly (SRAF) designated investments represent funds set aside within the Consolidated Revenue Fund for use in meeting SRAF benefit obligations. The investments are managed by a third party. The Statement of Investment Policy establishes the eligible classes of securities, categories of issuers, limits and terms. The market value of SRAF investments at March 31, 2015 was $14,145 (2014 - $11,590) with a positive return of 10.57% (2014 - 17.44%).

9 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2015	2014
To related parties		
Nunavut Arctic College	2,671	2,366
District Education Authorities	674	966
Nunavut Business Credit Corporation	13	2
Nunavut Development Corporation	71	86
Nunavut Housing Corporation	367	702
Qulliq Energy Corporation	11,183	5,780
	14,979	9,902
To others		
Accounts payable	84,010	87,158
Accrued liabilities, payroll deductions, and contractor holdbacks	157,188	84,160
Vacation pay and lieu time	31,755	29,331
Due to the Government of Canada	18,984	26,007
Due to the Government of the Northwest Territories	4,344	4,493
	296,281	231,149
	311,260	241,051

All amounts above are non-interest bearing.

10 DEFERRED REVENUES

	2015	2014
Provincial-Territorial Base Funding (Building Canada Fund)	35,311	48,433
Gas Tax Agreement	34,722	29,071
Other deferred revenue	11,973	9,073
	82,006	86,577

The deferred revenue balance at March 31 includes mostly funding for eligible capital infrastructure projects and specific programs received from the Government of Canada under formal contribution or other agreements. In 2015-16 and beyond, as the government fulfills its obligations from purpose or other stipulations for the use of these funds the associated revenue will be recognized in its non-consolidated financial statements.

11 LIABILITY FOR CONTAMINATED SITES

	2015	2014
Liabilities for remediation of contaminated sites	8,834	13,920

The Government's activities are subject to various federal and territorial laws and regulations, such as the Environmental Protection Act of Nunavut and the Environmental Guideline for Contaminated Site Remediation - 2010, governing the protection of the environment or to minimize any adverse impact thereon. The Government conducts its operations so as to protect public health and the environment and believes its operations are in compliance with all applicable laws and regulations.

The Government recognizes that there are costs related to the remediation of environmentally contaminated sites for which it is responsible. As of March 31, 2015, there were 7 sites - 4 storage tank farms and 3 waste sites - (2014 - 28 sites) identified as requiring environmental remediation. For those sites where the Government of Nunavut expects to give up future economic benefits due to a legal order or plans to remediate contamination (e.g., due to the risk to human health), and is responsible or has accepted responsibility for remediation, and a reasonable estimate can be determined for remediation costs, a liability has been recorded in these financial statements.

The Government has identified an additional 63 sites on Commissioner's land for which liabilities for contamination may exist for assessment, remediation and monitoring. The activities associated with these sites are classified as follows:

	Sites
Power plants	25
Storage tank farms	24
Town and waste sites	8
Garages and other public works facilities	4
Quarries	1
Airports	1
	63

The Government acquired ownership of sites and activities associated with airports, tank farms and power plants on creation of the Territory on April 1, 1999. The contamination of certain of these sites occurred when other parties were responsible for the use of and/or held tenure to the sites. The Government has estimated that remediation of contamination at 15 storage tank farm sites and 24 power plant sites would cost approximately $9,700 and $38,000 respectively. In addition, the Government has estimated that remediation at the other sites could cost between $36,000 - 108,000 depending on the approach taken. No liability for remediation of these 63 sites has been recognized in these financial statements as the Government does not expect to give up any future economic benefits (i.e. no legal requirment to remediate). Going forward, a liability for remediation of these or other identified sites will be recognized if future economic benefits will be given up (i.e. public health risk or legal requirement).

Most storage tank farms and power plants are monitored on a regular basis to ensure the containment of the identified contaminants. For the other Government of Nunavut's operations and/or sites, there is no ongoing monitoring program in place, but plans for one are to be developed in 2015-16.

In addition, the Government has identified 135 sites where garages, public works facilities, quarries, sewage disposal/treatment and solid waste sites and activities are generally located and conducted within municipal boundaries and governed by municipal legislation. Contamination at these sites and activities within municipal boundaries and jurisdiction are the responsibility of municipalities to monitor and remediate if necessary.

The Government's ongoing efforts to assess contaminated sites, address the outstanding matters on responsibility and for developing or updating reasonable cost estimates for remediation and monitoring activities may result in additional liabilities being recognized in future years.

12 PENSION LIABILITIES

(a) Public Service Pension Plan

Substantially all of the employees of the Government of Nunavut are covered by the public service pension plan (the "Plan"), a defined benefit plan established through legislation and sponsored by the Government of Canada. The Government of Canada holds a statutory obligation for the payment of benefits relating to the Plan. Pension benefits generally accrue up to a maximum period of 35 years at an annual rate of 2 percent of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with Canada/Québec Pension Plan benefits and they are indexed to inflation. Contributions are required by both the employees and the Government of Nunavut. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The contribution rate effective at March 31, 2015 was 1.28 times for members enrolled before January 1, 2013 and 1.28 times for members enrolled beginning January 1, 2013 (2014 - 1.45 and 1.43 times). Total employer contributions of $33,283 (2014 - $33,540) were recognized as expense in the current year. Total employee contributions were $23,421 (2014 - $21,033).

12 PENSION LIABILITIES (continued)

(b) Legislative Assembly Retiring Allowances Plans

The Government sponsors two defined benefit pension plans for Members of the Legislative Assembly (MLAs). Both plans are administered by the Management and Services Board of the Legislative Assembly. The plans provide pensions based on length of service and final average earnings. They provide inflation protection based on increases in the Consumer Price Index.

The first plan is the Legislative Assembly Retiring Allowances Fund (LARAF), a registered and contributory defined benefit pension plan established under the *Legislative Assembly Retiring Allowances Act*. The Office of the Legislative Assembly operates a separate pension fund in trust to administer LARAF contributions and allowances. The fund came into effect on April 1, 1999.

The second plan is the Supplementary Retiring Allowances Fund (SRAF), a voluntary non-registered, non-contributory defined benefit pension plan established under the *Supplementary Retiring Allowances Act* for MLAs who elect to participate. Payments and expenses related to the SRAF are paid from the Government's consolidated revenue fund. This plan came into effect during the 2001-02 fiscal year, and provides for benefits retroactive to April 1, 1999.

Retirement benefits are payable to a MLA based on a percentage of the average best earnings over four consecutive years as a MLA and as a Minister, Speaker or Chairperson (if applicable) multiplied by credited service as a MLA and for each of the three positions (if applicable). A position must be held for at least one year, and the pension for each position is calculated separately. The percentages used to calculate retirement benefits are 2% for the LARAF and 3% for the SRAF.

The normal retirement age under both of these plans is the earliest of: (a) age 60; (b) 30 years of service; or (c) age plus service equals 80. A MLA may retire at any time upon ceasing to be a MLA. Early retirement results in a pension reduction of 0.25% for each month a MLA retires before the normal retirement age. The late retirement age for MLAs is up to age 69.

There have been no plan amendments, plan settlements and curtailments or temporary deviations from these plans in 2015 (no changes in 2014).

Actuarial valuations were completed for these plans as of April 1, 2014. The valuations were based on a number of assumptions about future events including inflation rates (2.0%), interest rates (inflation, plus 1.8%), return on assets (inflation, plus 1.8%), increases in remuneration (inflation, plus 1.0%), and mortality. The assumptions used reflect the best estimates as approved by the Management and Services Board of the Legislative Assembly. The valuations were performed using the projected unit credit actuarial cost method. The asset valuation method, market-related value, for the LARAF plan is equal to a smoothed market value which spreads the difference between the actual and expected investment income over a four year period. The effective date of the next actuarial valuations for these plans is April 1, 2017.

The pension liabilities represent the excess of the actuarial present value of accrued pension benefits over the actuarial value of net assets available for benefits.

Based on information provided for the year by the plans' actuary, the MLA pension liabilities as of March 31 are as follows:

	LARAF	SRAF	2015	2014
Accrued benefit obligation	8,687	12,782	21,469	14,837
Deduct:				
Pension fund assets	8,737	-	8,737	6,202
Unamortized actuarial (gains) losses	1,378	2,599	3,977	(233)
	10,115	2,599	12,714	5,969
Pension (asset) liability	(1,428)	10,183	8,755	8,868

As at March 31, 2015, the LARAF pension fund assets had a market value of $9,503 (2014 - $6,891). The actual rate of return was positive 10.29% (2014 - 19.80%). The SRAF has no pension fund assets; however, the pension liability is funded all or in part by designated investments (Note 8).

LARAF and SRAF actuarial gains/losses are amortized over 2.6 and 2.7 years respectively (2014 - 6.0 and 6.0 years respectively) which is the estimated average remaining service lives for contributors to these plans.

The total expenses related to MLA pensions include the following components:

	LARAF	SRAF	2015	2014
Current period benefit cost	835	1,275	2,110	2,084
Amortization of actuarial (gains) losses	(13)	73	60	95
	822	1,348	2,170	2,179
MLAs contributions	(219)	-	(219)	(209)
Pension expense	603	1,348	1,951	1,970
Interest cost on the average accrued benefit obligation	315	485	800	737
Expected return on average pension plan assets	(332)	-	(332)	(301)
Pension interest expense	(17)	485	468	436
Total pension expenses	586	1,833	2,419	2,406

Pension benefits paid for the LARAF and SRAF were $218 and $688, respectively (2014 - $1,770 and $732, respectively).

The Government's contributions related to the LARAF and SRAF during the year were $1,844 and $1,950, respectively (2014 - $643 and $1,258, respectively).

13 OTHER POST-EMPLOYMENT BENEFIT LIABILITIES

In addition to pension benefits, the government provides severance and removal benefits to employees. These benefit arrangements are not prefunded and thus have no assets set aside to fund them, resulting in deficiencies for the arrangements equal to the accrued benefit obligations which are estimated actuarially using information and assumptions approved by management.

	2015	2014
Severance	14,080	14,202
Removal	8,956	10,073
	23,036	24,275

14 MORTGAGE PAYABLE

	2015	2014
Mortgage payable in annual instalments to the year 2020, bearing interest at a rate of 6.9% compounded semi-annually.	2,568	2,934

Future mortgage payments consist of:	Principal	Interest	Total
2016	391	163	554
2017	419	135	554
2018	448	106	554
2019	480	74	554
2020	830	42	872
	2,568	520	3,088

Interest expense on the mortgage payable was $186 for the year (2014 - $210). The interest paid on the mortgage payable during the year was $188 (2014 - $212).

15 IQALUIT INTERNATIONAL AIRPORT IMPROVEMENT PROJECT

In September 2013, the Government signed agreements as part of a public-private partnership (P3) arrangement to design, build, finance, operate and maintain new and updated infrastructure at the Iqaluit International Airport. The design and construction components are scheduled to be completed by December 2017 at an estimated cost of $298,518, $277,942 of which represent costs incurred by the P3 proponent. The capital costs of the arrangement will be partially funded up to $77,300 from PPP Canada Inc.

	2015	2014
Total eligible costs incurred by P3 proponent		
Balance, beginning of year	34,685	-
Eligible costs incurred during the year	50,599	34,685
Balance, end of year	85,284	34,685
Total progress payments made by the Government		
Balance, beginning of year	2,800	-
Progress payments made during the year	29,000	2,800
Balance, end of year	31,800	2,800
Liability as at March 31	53,484	31,885

16 CAPITAL LEASE OBLIGATIONS

Capital lease obligations are based upon contractual minimum lease payments for the leases in effect as of March 31.

	2015	2014
Total minimum lease payments	56,983	67,165
Less: Imputed interest	(10,371)	(13,744)
Present value of minimum lease payments	46,612	53,421

Minimum lease payments, including principal and interest, for each of the next 5 years and thereafter are as follows:

	Principal	Interest	Total
2016	7,662	2,981	10,643
2017	8,259	2,433	10,692
2018	8,847	1,844	10,691
2019	9,477	1,214	10,691
2020	6,677	635	7,312
2021 and beyond	5,690	1,264	6,954
	46,612	10,371	56,983

Lease payments are allocated between repayment of the liability and interest expense. The total minimum lease payments less the initial liability represents the total interest cost of the lease. The interest expense is calculated using the same discount rate used in computing the present value of the minimum lease payments applied to the outstanding lease liability at the beginning of the lease payment period.

Interest expense related to capital lease obligations for the year was $3,490 (2014 - $3,941) at an implied average interest rate of 7.0% (2014 - 7.0%). The capital lease obligations expire between 2020 and 2027.

17 PETROLEUM PRODUCTS STABILIZATION FUND

The Petroleum Products Stabilization Fund was created under the authority of the *Revolving Funds Act*. The purpose of the Fund is to stabilize the prices of petroleum products purchased, sold, and distributed by the Government. The net profit (loss) of the Petroleum Products Revolving Fund is charged to the Petroleum Products Stabilization Fund. The accumulated surplus or deficit balance in the fund cannot exceed $10,000.

	2015	2014
Surplus (deficit), beginning of year	(8,948)	(5,146)
Petroleum Products Revolving Fund net profit (loss) for the year	(1,337)	(3,802)
Minimum transfer required from (to) Consolidated Revenue Fund	285	-
Surplus (deficit), end of year	(10,000)	(8,948)

18 CONTRACTUAL OBLIGATIONS

The Government has entered into agreements for, or is contractually obligated for, the following payments subsequent to March 31, 2015:

	Year of Expiration	Total
Capital commitments	2019	206,731
Operational commitments	2047	1,233,641
Policing agreement	2032	720,234
Operating leases (Schedule 5)	2027	62,290
		2,222,896

Contractual obligations by fiscal year are as follows:

2016	287,936
2017	133,010
2018	107,730
2019	75,545
2020	71,053
2021 and beyond	1,547,622
	2,222,896

19 CONTINGENCIES

(a) Post-division adjustments

The agreement governing the division of assets and liabilities between the Government of Nunavut and the Government of the Northwest Territories as at April 1, 1999 sets out a mechanism which provides for post-division adjustments.

The period for such adjustments is unlimited; and such adjustments could be made in a variety of specified circumstances such as the settlement of litigation related to events prior to the date of division. In such an event, there is an opportunity for one of the governments to file a claim against the other government to share in costs. Post-division adjustments will be recognized in the year the liability can reasonably be estimated. As at March 31, 2015, no new post-division adjustments were recorded.

(b) Environmental Protection Compliance Orders

The Government's Petroleum Products Division and Qulliq Energy Corporation (QEC) received Environmental Protection Compliance Orders (EPCOs) from Environment Canada related to contraventions of regulations for Storage Tank Systems for Petroleum Products at selected facilities in Iqaluit, Rankin Inlet, Whale Cove and Sanikiluaq. The regulations provide for penalties for continued contravention by failure to address EPCOs. The work to comply with the regulations at these facilities was commenced in 2014-15 and is to be completed during the 2015-16 fiscal year. Compliance with the regulations at the Government's remaining storage tank farms facilities is expected to be completed over the years 2016 to 2021. Environment Canada has agreed to postpone further enforcement action pending satisfactory completion of the work as scheduled.

(c) Litigation

A number of cases of alleged sexual abuse by former employees or contractors in Nunavut when it was part of the Northwest Territories have been filed or are pending. The Nunavut and the Northwest Territories governments will jointly defend any such proceedings and the cost of defending the actions and any damages that may eventually be awarded will be shared by the two governments 44.34% and 55.66%, respectively. An estimate of any liability that may result from these actions is not determinable at this time; consequently no liability has been accrued.

There are a number of claims and threatened litigation cases outstanding against the Government for which the outcomes are not determinable, including a number of cases where an amount is not specified. The nature of these claims include wrongful dismissal, breach of policy, personal injury, sexual abuse, negligence, wrongful arrest and assault. As of March 31, 2015, all of these claims have been assessed as being either without merit or not determinable at this time.

(d) Pay equity

There are a number of pay equity claims outstanding against the Government of Nunavut primarily for job rating evaluations of specific trades. The Government is working with Nunavut Employees Union in order to resolve the claims. However, the outcome of these claims is not determinable at this time. As of March 31, 2015, no provision has been made in these financial statements.

19 CONTINGENCIES (continued)

(e) Loan guarantees

As part of its financing, the Qulliq Energy Corporation (QEC) has arranged various credit facilities at different terms and interest rates. The Government has guaranteed the following QEC credit facilities:

	2015	2014
Bank credit facility, interest at prime minus 0.50%	13,376	14,665
20 year redeemable amortizing debenture due 2021, interest rate of 6.809%	39,392	42,259
Fixed rate capital loan facility due 2021, interest rate of 4.24%	2,711	3,089
Fixed rate capital loan facility due 2021, interest rate of 4.24%	3,462	3,943
Fixed rate capital loan facility due 2021, interest rate of 4.24%	4,868	5,539
Fixed rate capital loan facility due 2022, interest rate of 4.24%	4,283	4,454
Fixed rate capital loan facility due 2021, interest rate of 4.24%	8,849	10,043
Variable rate capital loan facility due 2022, interest at prime minus 0.50%	17,667	18,667
Variable rate capital loan facility due 2024, interest at prime minus 0.50%	15,266	14,000
Variable rate capital loan facility due 2024, interest at prime minus 0.50%	21,000	-
Total guarantees provided on balances outstanding	130,874	116,659

The QEC bank credit facility limit is $20,000 (2014 - $20,000). The non-revolving committed and bridge loan facilities above each has an option to utilize BAs with stamping fees calculated at 50 bps per annum with terms not less than 7 days and not more than 365 days and issued and reissued in minimum aggregate amounts of Canadian $1,000 and multiples thereof.

Based on its operational needs, the Nunavut Development Corporation (NDC) may from time to time be in a bank overdraft position. The overdraft is guaranteed by the Government, and interest on the overdraft is charged based on a rate of prime plus 0.50% per annum. Interest is charged only when NDC's operating account is in an overdraft position and the pooled accounts of the Government are also in an overdraft position. As at March 31, 2015, NDC's bank overdraft position was $nil (2014 - $nil).

20 RELATED PARTIES

Transactions with related parties and balances at year-end, not disclosed elsewhere in the financial statements, are disclosed in this note. During the year, the Government made grants and contributions to or funded other costs for the following related parties:

	2015	2014
Nunavut Arctic College	2,652	2,721
District Education Authorities	12,977	12,895
Nunavut Development Corporation	3,603	3,639
Nunavut Business Credit Corporation	650	621
	19,882	19,876

Under agreements with related boards and agencies, the Government provides services at cost or for a service fee where direct costs cannot be determined. The fees charged for indirect costs are not necessarily the cost of providing those services. Services provided include personnel, payroll, financial, procurement, accommodation, buildings and works, utilities, legal, and interpretation services. Direct costs of $43,465 (2014 - $40,521) were incurred and recovered from related parties. Grants and contributions from the Government of Nunavut to Nunavut Arctic College and Nunavut Housing Corporation are disclosed separately in the Schedule of Expenses Funded under Approved Appropriations (Schedule B 1).

21 TRUSTS UNDER ADMINISTRATION

The Government administers trust accounts on behalf of third parties, which are not included in the reported Government assets and liabilities.

	2015	2014
Public Trustee	5,103	4,495
Territorial Court Trust	451	212
Natural Resources Conservation Trust	293	290
	5,847	4,997

22 BUDGET ADJUSTMENTS

The budgeted surplus of $17,636 on the Statement of Operations and Accumulated Surplus is $7,124 more than the surplus of $10,512 indicated on page x of the 2014-15 Main Estimates. This represents the principal portion of payments to be made during the year on capital leases, and do not represent expenses under Canadian public sector accounting standards.

The 2015 total revenue budget of $1,715,466 includes $1,639,586 of 'Revenues' and $75,730 of 'Vote 5 Revenues' on page x of the 2014-2015 Main Estimates, plus $150 of funding under third-party agreements for specific capital projects included in Appendix IV (page A-IV-4) of the 2014-2015 Capital Estimates. The planned expenses to be funded by these additional revenues have been added to the affected budget totals disclosed in these statements.

The 2015 budget total for capital expenditures on Schedule B.2 of $150 excludes the $4,290 of CMHC capital projects budgeted for Nunavut Housing Corporation presented in Appendix IV (page A-IV-6) of the 2014-2015 Capital Estimates. As a result, the budget totals for 'Vote 4 Expenses' and 'Vote 5 Revenues' (i.e., Transfers under third-party funding agreements) included in these statements is $75,880.

23 COMPARATIVE INFORMATION

Certain comparative figures have been reclassified to conform to the current year's presentation.

24 SUBSEQUENT EVENTS

On April 24, 2015 there was a fire at the Nunavut Arctic College's Ukkivik residence, causing extensive damage to the building. There were no reports of injuries. The remaining net book value of the building at March 31, 2015 was $627. Future plans for the building are not known at this time, as such, the amount that will need to be written off in 2016 is also not known at this time.

On May 28, 2015 the Governor General in Council of Canada, pursuant to subsection 27(5) of the *Nunavut Act*, approved an increase of the Government of Nunavut borrowing up to $650,000 (i.e., authorized borrowing limit).

On September 5, 2015, there was a fire at the new air terminal building. There were no reports of injuries. An engineering investigation by the design builder will have to determine the extent of the fire and water damage before any determination on schedule changes can be made. The fire is not expected to have any effect on the cost of the project to the Government of Nunavut.

On September 6, 2015, the Peter Pitseolak High School in Cape Dorset was destroyed by fire. There were no injuries. The cost of the cleanup and replacement is not known at this time. The remaining net book value of the school at March 31, 2015 was $14,450. The amount that will need to be written off in 2016 is not known at this time but will likely be a substantial portion of the net book value.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS

Schedule A

Non-Consolidated Schedule of Revenues by Source (unaudited)

for the year ended March 31, 2015

(in thousands of dollars)

	2015 Budget	2015 Actual	2014 Actual
From the Government of Canada			
Territorial Formula Financing	1,409,100	1,409,107	1,350,391
Transfers under third-party funding agreements	75,880	125,034	136,455
Other transfer payments	72,000	82,282	87,460
	1,556,980	1,616,423	1,574,306
Revenues generated by the Government of Nunavut			
Taxation revenues			
Personal income tax	27,800	28,316	29,697
Corporate income tax	12,500	14,878	14,118
Payroll tax	24,200	25,244	23,489
Tobacco tax	16,300	16,429	16,133
Fuel tax	4,000	5,473	4,684
Property tax	3,100	4,407	2,974
Insurance tax	1,800	1,695	1,343
	89,700	96,442	92,438
Other revenues			
Petroleum Products Division revenue - net of cost of goods sold of $195,051 (2014 - $181,375)	28,718	22,668	21,487
Liquor revenue - net of cost of goods sold of $2,199 (2014 - $2,187)	4,168	3,670	3,804
Staff housing recoveries	17,000	18,850	18,539
Transfers under third-party funding agreements	-	1,796	2,232
Other	18,900	22,660	32,099
	68,786	69,644	78,161
Recoveries of prior years expenditures (Schedule 1)	-	12,785	9,289
Total revenues (Note 22)	**1,715,466**	**1,795,294**	**1,754,194**

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Non-Consolidated Schedule of Expenses (unaudited)
for the year ended March 31, 2015
(in thousands of dollars)

Schedule B

TOTALS	Original Budget	Actual	(Over) Under Original Budget
FUNDED UNDER APPROVED APPROPRIATIONS (Schedule B.1)			
Operations and maintenance expenses before amortization	1,375,865	1,390,037	(14,172)
Plus: Amortization expenses on tangible capital assets	44,807	51,900	(7,093)
Total operations and maintenance expenses	1,420,672	1,441,937	(21,265)
Capital expenditures	149,979	231,371	(81,392)
Less: Transfers to tangible capital assets	118,424	143,782	(25,358)
Total capital expenses	31,555	87,589	(56,034)
Total appropriation expenses	1,452,227	1,529,526	(77,299)
FUNDED UNDER THIRD-PARTY AGREEMENTS (Schedule B.2)			
Operations and maintenance expenses before amortization	75,730	89,264	(13,534)
Plus: Amortization expenses on tangible capital assets	-	6,763	(6,763)
Total operations and maintenance expenses	75,730	96,027	(20,297)
Capital expenditures	150	37,154	(37,004)
Less: Transfers to tangible capital assets	-	3,371	(3,371)
Total capital expenses	150	33,783	(33,633)
Total third-party agreement expenses	75,880	129,810	(53,930)
FUNDED BY REVOLVING FUNDS (Schedule B.3)			
Operations and maintenance expenses before amortization	29,737	27,065	2,672
Plus: Amortization expenses on tangible capital assets	-	-	-
Total operations and maintenance expenses	29,737	27,065	2,672
Capital expenditures	-	-	-
Less: Transfers to tangible capital assets	-	-	-
Total capital expenses	-	-	-
Total revolving fund expenses	29,737	27,065	2,672
NON-CONSOLIDATED STATEMENTS TOTALS			
Operations and maintenance expenses before amortization	1,481,332	1,506,366	
Plus: Centrally estimated 'Supplementary requirements' per page x of 2014-2015 Main Estimates	38,000	-	
Less: Capital portion of the estimated 'Supplementary requirements'	10,000	-	
Total operations and maintenance expenses before amortization	1,509,332	1,506,366	2,966
Plus: Amortization expenses on tangible capital assets	44,807	58,663	(13,856)
Total operations and maintenance expenses	1,554,139	1,565,029	(10,890)
Capital expenditures	150,129	268,525	
Plus: Centrally estimated capital carryovers from prior year included in 'Capital' on page x of 2014-2015 Main Estimates	101,986	-	
Plus: Capital portion of the estimated 'Supplementary requirements'	10,000	-	
Total capital expenditures	262,115	268,525	(6,410)
Less: Transfers to tangible capital assets	118,424	147,153	(28,729)
Total capital expenses	143,691	121,372	22,319
Total expenses	**1,697,830**	**1,686,401**	**11,429**

Total expenses above includes, among other items, interest expense of $3,741 (2014 - $4,166) and a net increase in valuation allowances of $2,258 (2014 - $2,222).

GOVERNMENT OF NUNAVUT Schedule B.1

PUBLIC ACCOUNTS

Non-Consolidated Schedule of Expenses Funded under Approved Appropriations (unaudited)

for the year ended March 31, 2015

(in thousands of dollars)

APPROPRIATIONS	Original Budget	Supplementary Appropriations	Transfers	Revised Budget	Actual	(Over) Under Revised Budget
LEGISLATIVE ASSEMBLY						
Operations and maintenance						
Compensation and benefits	11,880	-	(250)	11,630	11,027	603
Grants and contributions	-	-	-	-	-	-
Other	11,284	-	250	11,534	10,620	914
	23,164	-	-	23,164	21,647	1,517
Capital expenditures	305	434	-	739	565	174
Total spending under appropriations	23,469	434	-	23,903	22,212	1,691
EXECUTIVE AND INTERGOVERNMENTAL AFFAIRS						
Operations and maintenance						
Compensation and benefits	17,338	-	-	17,338	16,027	1,311
Grants and contributions	100	-	-	100	90	10
Other	9,871	-	-	9,871	8,510	1,361
	27,309	-	-	27,309	24,627	2,682
Capital expenditures	-	469	-	469	447	22
Total spending under appropriations	27,309	469	-	27,778	25,074	2,704
FINANCE						
Operations and maintenance						
Compensation and benefits	37,792	(247)	(700)	36,845	36,045	800
Grants and contributions	11,105	-	700	11,805	12,705	(900)
Other	35,751	-		35,751	35,239	512
	84,648	(247)	-	84,401	83,989	412
Capital expenditures	9,748	3,693	-	13,441	5,135	8,306
Total spending under appropriations	94,396	3,446	-	97,842	89,124	8,718
FAMILY SERVICES						
Operations and maintenance						
Compensation and benefits	24,756	1,288	(899)	25,145	25,642	(497)
Grants and contributions	50,223	1,070	(655)	50,638	49,439	1,199
Other	47,432	209	1,554	49,195	44,117	5,078
	122,411	2,567	-	124,978	119,198	5,780
Capital expenditures	600	2,810	-	3,410	3,220	190
Total spending under appropriations	123,011	5,377	-	128,388	122,418	5,970
JUSTICE						
Operations and maintenance						
Compensation and benefits	39,936	4,336	(560)	43,712	44,601	(889)
Grants and contributions	14,933	-	-	14,933	13,753	1,180
Other	51,225	-	560	51,785	52,076	(291)
	106,094	4,336	-	110,430	110,430	-
Capital expenditures	900	7,759	-	8,659	7,549	1,110
Total spending under appropriations	106,994	12,095	-	119,089	117,979	1,110

GOVERNMENT OF NUNAVUT Schedule B.1

PUBLIC ACCOUNTS

Non-Consolidated Schedule of Expenses Funded under Approved Appropriations (unaudited)

for the year ended March 31, 2015

(in thousands of dollars)

APPROPRIATIONS	Original Budget	Supplementary Appropriations	Transfers	Revised Budget	Actual	(Over) Under Revised Budget
CULTURE AND HERITAGE						
Operations and maintenance						
Compensation and benefits	13,347	-	(2,071)	11,276	10,568	708
Grants and contributions	6,699	-	400	7,099	6,588	511
Other	5,630	-	1,671	7,301	7,825	(524)
	25,676	-	-	25,676	24,981	695
Capital expenditures	-	-	-	-	-	-
Total spending under appropriations	25,676	-	-	25,676	24,981	695
EDUCATION						
Operations and maintenance						
Compensation and benefits	141,771	4,962	(615)	146,118	153,646	(7,528)
Grants and contributions	24,755	161	60	24,976	22,169	2,807
Other	17,704	-	555	18,259	11,789	6,470
	184,230	5,123	-	189,353	187,604	1,749
Capital expenditures	23,710	9,145		32,855	26,534	6,321
Total spending under appropriations	207,940	14,268	-	222,208	214,138	8,070
HEALTH						
Operations and maintenance						
Compensation and benefits	109,749	3,953	-	113,702	116,399	(2,697)
Grants and contributions	2,751	-	-	2,751	1,714	1,037
Other	186,447	19,485	-	205,932	199,172	6,760
	298,947	23,438	-	322,385	317,285	5,100
Capital expenditures	12,423	46,405	-	58,828	37,238	21,590
Total spending under appropriations	311,370	69,843	-	381,213	354,523	26,690
ENVIRONMENT						
Operations and maintenance						
Compensation and benefits	15,237	134	(615)	14,756	14,871	(115)
Grants and contributions	1,988	-	60	2,048	1,888	160
Other	6,769	741	555	8,065	7,515	550
	23,994	875	-	24,869	24,274	595
Capital expenditures	3,407	3,884	-	7,291	3,431	3,860
Total spending under appropriations	27,401	4,759	-	32,160	27,705	4,455
COMMUNITY AND GOVERNMENT SERVICES						
Operations and maintenance						
Compensation and benefits	41,632	-	(380)	41,252	43,712	(2,460)
Grants and contributions	68,717	(20)	200	68,897	67,060	1,837
Other	110,408	180	180	110,768	105,030	5,738
	220,757	160	-	220,917	215,802	5,115
Capital expenditures	32,688	68,131	-	100,819	38,807	62,012
Total spending under appropriations	253,445	68,291	-	321,736	254,609	67,127

GOVERNMENT OF NUNAVUT Schedule B.1

PUBLIC ACCOUNTS

Non-Consolidated Schedule of Expenses Funded under Approved Appropriations (unaudited)

for the year ended March 31, 2015

(in thousands of dollars)

APPROPRIATIONS	Original Budget	Supplementary Appropriations	Transfers	Revised Budget	Actual	(Over) Under Revised Budget
ECONOMIC DEVELOPMENT AND TRANSPORTATION						
Operations and maintenance						
Compensation and benefits	17,451	400	(899)	16,952	16,875	77
Grants and contributions	21,732	-	(655)	21,077	19,948	1,129
Other	21,499	1,200	1,554	24,253	23,194	1,059
	60,682	1,600	-	62,282	60,017	2,265
Capital expenditures	35,968	41,297	-	77,265	58,215	19,050
Total spending under appropriations	96,650	42,897	-	139,547	118,232	21,315
NUNAVUT HOUSING CORPORATION						
Operations and maintenance						
Compensation and benefits	-	-	-	-	-	-
Grants and contributions	172,873	2,224	-	175,097	175,097	-
Other	-	-	-	-		-
	172,873	2,224	-	175,097	175,097	-
Capital expenditures	30,230	20,000	-	50,230	50,230	-
Total spending under appropriations	203,103	22,224	-	225,327	225,327	-
NUNAVUT ARCTIC COLLEGE						
Operations and maintenance						
Compensation and benefits	-	-	-	-	-	-
Grants and contributions	32,204	6	-	32,210	32,210	-
Other	-	-	-	-	-	-
	32,204	6	-	32,210	32,210	-
Capital expenditures	-	-	-	-	-	-
Total spending under appropriations	32,204	6	-	32,210	32,210	-
TOTALS						
Operations and maintenance						
Compensation and benefits	470,889	14,826	(6,989)	478,726	489,413	(10,687)
Grants and contributions	408,080	3,441	110	411,631	402,661	8,970
Other	504,020	21,815	6,879	532,714	505,087	27,627
	1,382,989	40,082	-	1,423,071	1,397,161	25,910
Less: Principal repayments on capital leases included in spending appropriations above	7,124	-	-	7,124	7,124	-
Operations and maintenance expenses before amortization	1,375,865	40,082	-	1,415,947	1,390,037	25,910
Plus: Amortization expenses on tangible capital assets	44,807	-	-	44,807	51,900	(7,093)
Total operations and maintenance expenses	1,420,672	40,082	-	1,460,754	1,441,937	18,817
Capital expenditures	149,979	204,027	-	354,006	231,371	122,635
Less: Transfers to tangible capital assets	118,424	-	-	118,424	143,782	(25,358)
Total capital expenses	31,555	204,027	-	235,582	87,589	147,993
Total appropriation expenses	**1,452,227**	**244,109**	-	**1,696,336**	**1,529,526**	**166,810**

GOVERNMENT OF NUNAVUT Schedule B.2

PUBLIC ACCOUNTS

Non-Consolidated Schedule of Expenses Funded under Third-Party Agreements (unaudited)

for the year ended March 31, 2015

(in thousands of dollars)

By Department	Original Budget	Actual	(Over) Under Original Budget
Legislative Assembly	-	1	(1)
Executive and Intergovernmental Affairs	3,499	1,394	2,105
Finance	800	4,027	(3,227)
Family Services	4,772	4,024	748
Justice	2,549	2,799	(250)
Culture and Heritage	2,550	2,800	(250)
Education	2,722	2,865	(143)
Health	49,572	59,450	(9,878)
Environment	1,787	4,471	(2,684)
Community and Government Services	-	36,894	(36,894)
Economic Development and Transportation	7,629	11,085	(3,456)
	75,880	129,810	(53,930)

By Category	Original Budget	Actual	(Over) Under Original Budget
Operations and maintenance			
Compensation and benefits	-	18,250	(18,250)
Grants and contributions	-	15,687	(15,687)
Other	-	55,327	(55,327)
Operations and maintenance expenses before amortization	75,730	89,264	(13,534)
Plus: Amortization expenses on tangible capital assets	-	6,763	(6,763)
Total operations and maintenance expenses	75,730	96,027	(20,297)
Capital expenditures	150	37,154	(37,004)
Less: Transfers to tangible capital assets	-	3,371	(3,371)
Total capital expenses	150	33,783	(33,633)
Total third-party agreement expenses	75,880	129,810	(53,930)

GOVERNMENT OF NUNAVUT Schedule B.3

PUBLIC ACCOUNTS

Non-Consolidated Schedule of Expenses Funded by Revolving Funds (unaudited)

for the year ended March 31, 2015

(in thousands of dollars)

By Revolving Fund	Original Budget	Actual	(Over) Under Original Budget
Liquor	2,679	2,958	(279)
Petroleum Products	25,736	23,088	2,648
Public Stores	1,100	867	233
Student Loan	222	152	70
	29,737	27,065	2,672

By Category	Original Budget	Actual	(Over) Under Original Budget
Operations and maintenance			
Compensation and benefits	5,039	6,268	(1,229)
Grants and contributions	-	-	-
Other expenses	24,698	20,797	3,901
Operations and maintenance expenses before amortization	29,737	27,065	2,672
Plus: Amortization expenses on tangible capital assets (1)	-	-	-
Total operations and maintenance expenses	29,737	27,065	2,672
Capital expenditures	-	-	-
Less: Transfers to tangible capital assets	-	-	-
Total capital expenses	-	-	-
Total revolving fund expenses	29,737	27,065	2,672

(1) Petroleum Products amortization of $917 (2014 - $896) is included in the budget and actuals totals for Department of Community and Government Services on Sch. B.1.

GOVERNMENT OF NUNAVUT **Schedule C**

PUBLIC ACCOUNTS

Non-Consolidated Schedule of Tangible Capital Assets (unaudited)

for the year ended March 31, 2015

(in thousands of dollars)

	Buildings	Leased Buildings	Infra-structure	Tank Farms	Storage Facilities	Equipment	2015	2014
Cost of tangible capital assets								
Opening balance	907,531	114,873	177,667	161,245	31,002	97,464	1,489,782	1,394,037
Additions	9,673	343	123	-	-	4,269	14,408	15,624
Transferred from work in progress	10,368	-	2,380	-	-	2,073	14,821	80,121
Closing balance	927,572	115,216	180,170	161,245	31,002	103,806	1,519,011	1,489,782
Accumulated amortization								
Opening balance	(274,107)	(52,570)	(57,555)	(60,817)	(15,750)	(67,191)	(527,990)	(470,308)
Amortization	(30,842)	(3,841)	(5,786)	(5,390)	(979)	(11,825)	(58,663)	(57,682)
Closing balance	(304,949)	(56,411)	(63,341)	(66,207)	(16,729)	(79,016)	(586,653)	(527,990)
Work in progress								
Opening balance	104,545	-	11,763	10,916	-	2,520	129,744	80,198
Additions	114,265	-	4,286	13,867	-	327	132,745	129,667
Transferred to cost of tangible capital assets	(10,368)	-	(2,380)	-	-	(2,073)	(14,821)	(80,121)
Closing balance	208,442	-	13,669	24,783	-	774	247,668	129,744
Net book value	831,065	58,805	130,498	119,821	14,273	25,564	1,180,026	1,091,536
Estimated useful life	**30 Years**	**30 Years**	**30 Years**	**30 Years**	**30 Years**	**5-30 Years**		

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS

Schedule 1

Non-Consolidated Schedule of Recoveries of Prior Years Expenditures (unaudited)

for the year ended March 31, 2015

(in thousands of dollars)

Department	Over Accruals	Other Recoveries	Total
Legislative Assembly	-	2	2
Executive and Intergovernmental Affairs	4	-	4
Finance	4,950	149	5,099
Family Services	14	130	144
Justice	-	226	226
Culture and Heritage	136	-	136
Education	505	390	895
Health	1,468	557	2,025
Environment	608	-	608
Community and Government Services	548	535	1,083
Economic Development and Transportation	2,506	57	2,563
	10,739	2,046	12,785

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS

Schedule 2

Non-Consolidated Schedule of Special Warrants (unaudited)

for the year ended March 31, 2015

(in thousands of dollars)

	Date of FMB Approval	Amount Authorized
OPERATIONS AND MAINTENANCE		
There were no Special Warrants during the year.		
Total operations and maintenance		-

	Date of FMB Approval	Amount Authorized
CAPITAL		
There were no Special Warrants during the year.		
Total capital		-

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Non-Consolidated Schedule of Inter-Activity Transfers Over $250,000 (unaudited)
for the year ended March 31, 2015
(in thousands of dollars)

	Transfers to (from)
OPERATIONS AND MAINTENANCE	
Finance	
Centrally Administered Funds	700
Comptrollership	(500)
Policy Planning Financial Management	(200)
Centrally Administered Funds	1,200
Policy Planning Financial Management	(150)
Internal Audit Services	(100)
Comptrollership	(950)
Family Services	
Corporate Management	(350)
Income Assistance	55
Children and Family Services	295
Children and Family Services	260
Career Development	(800)
Income Assistance	540
Justice	
Registries and Court Services	500
Corrections	(500)
Registries and Court Services	250
Corrections	(100)
Lawyer Support Services	(150)
Community and Government Services	
Capital Planning and Technical Services	350
Government Services	(350)
Community Support	400
Government Services	(400)
Economic Development and Transportation	
Corporate Management	(1,868)
Economic Development	1,868
CAPITAL	
Community and Government Services	
CGS - capital	(4,515)
Petroleum Products Division	4,515
CGS - capital	(525)
Petroleum Products Division	525

Under the *Student Financial Assistance Regulations,* the Government may forego collection of students' loans, provided certain criteria are met. The students listed below, having met the academic and the employment or residency criteria, have qualified and been granted remission of their loans. Under subsection 26(1) of the *Financial Administration Act* any remissions or write-offs over $500 must be disclosed in the Public Accounts.

Kirsten Chenier	3,200
Tiffany Wilk (Omboli)	2,187
Lauren Teiman	584
	5,971

GOVERNMENT OF NUNAVUT **Schedule 5**

PUBLIC ACCOUNTS

Non-Consolidated Schedule of Contractual Obligations under Operating Leases (unaudited)

for the year ended March 31, 2015

(in thousands of dollars)

	2016	2017	2018	2019	2020	>2020	Total
Headquarters	8,889	7,839	7,095	4,411	2,857	5,965	37,056
Qikiqtaaluk	984	756	653	480	351	-	3,224
Kivalliq	4,071	2,041	1,185	486	240	417	8,440
Kitikmeot	1,804	1,453	1,417	1,386	1,332	6,178	13,570
	15,748	12,089	10,350	6,763	4,780	12,560	62,290